

**H.R. 4765, THE 21ST CENTURY VETERANS EM-
PLOYMENT AND TRAINING ACT, AND H.R.
3256, THE VETERANS' RIGHT TO KNOW ACT**

HEARINGS
BEFORE THE
SUBCOMMITTEE ON BENEFITS
OF THE
COMMITTEE ON VETERANS' AFFAIRS
HOUSE OF REPRESENTATIVES
ONE HUNDRED SIXTH CONGRESS
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JULY 12 AND 13, 2000

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CONTENTS

July 12, 2000

	Page
H.R. 4765, The 21st Century Veterans Employment and Training Act, and H.R. 3256, The Veterans' Right to Know Act	1

OPENING STATEMENTS

Chairman Quinn	1
Hon. Bob Filner	2
Prepared statement of Congressman Filner	122
Hon. Lane Evans	4
Hon. Silvestre Reyes	4
Prepared statement of Congressman Reyes	126
Hon. Terry Everett, prepared statement of	129

WITNESSES

Bernard, Richard J., Veterans' Advocate	9
Prepared statement of Mr. Bernard, w/attachments	132
Borrego, Espiridion, Assistant Secretary, Veterans' Employment and Training, U.S. Department of Labor	25
Prepared statement of Mr. Borrego	175
Cowan, Carole A., Ed.D., President, Middlesex Community College	34
Prepared statement of Ms. Cowan	188
Doyle, Hon. Mike, a Representative in Congress from the State of Pennsylvania	7
Frelinghuysen, Hon. Rodney P., a Representative in Congress from the State of New Jersey	9
French, Heather, Miss America 2000	22
Prepared statement of Ms. French	159
Gibson, Alan, Disabled Veteran Outreach Specialist, State of Missouri	31
Prepared statement of Mr. Gibson	181
Hartman, James H., Director, Veterans' Employment and Training Services, State of New York	32
Prepared statement of Mr. Hartman	185
Horton, Stephen A., Manager, Employment Security Program Services, Ala- bama Department of Industrial Relations	37
Prepared statement of Mr. Horton	191
Pascrell, Jr., Hon. Bill, a Representative in Congress from the State of New Jersey	5
Prepared statement of Congressman Pascrell	130
Principi, Anthony J., Chairman, Congressional Commission on Servicemembers and Veterans Transition Assistance	24
Prepared statement of Mr. Principi	164
Shasteen, Donald E., Former Assistant Secretary of Labor for Veterans' Em- ployment and Training Service, U.S. Department of Labor	41
Prepared statement Mr. Shasteen	204
Sheridan, Mike, Former Executive Director, Texas Workforce Commission	39
Prepared statement of Mr. Sheridan	195
Thompson, Joseph, Under Secretary for Benefits, Veterans' Benefits Adminis- tration, Department of Veterans Affairs; accompanied by Robert Epley, Director, Compensation and Pension Service, Veterans Benefits Administra- tion, Department of Veterans Affairs	12
Prepared statement of Mr. Thompson	144

IV

July 13, 2000

Page

H.R. 4765, The 21st Century Veterans Employment and Training Act, and H.R. 3256, The Veterans' Right to Know Act	45
---	----

OPENING STATEMENTS

Hayworth, Hon. J.D., Vice Chairman, Subcommittee on Benefits	45
--	----

WITNESSES

Beagle, Dennis A., New York State Public Employees Federation	46
Prepared statement of Mr. Beagle	217
Boland, Raymond G., Secretary, Wisconsin Department of Veterans' Affairs and Legislative Chairman, National Association of State Directors of Veter- ans' Affairs	60
Prepared statement of Mr. Boland	239
Caulfield, Major General Matthew P., USMC (ret.), CEO, Militaryhub.com, Chairman of the Board, Hire Quality, Inc. and Third Rail Technology, Inc., accompanied by Brian Feucht, President and CEO, Third Rail Tech- nology	51
Prepared statement of General Caulfield	225
Drach, Ron, President, R.W. Drach Consulting	65
Prepared statement of Mr. Drach	246
Gross, Robert C., President, ICESA	48
Prepared statement of Mr. Gross	221
Hopkins, Geoff, Associate Legislative Director, Paralyzed Veterans of America	71
Prepared statement of Mr. Hopkins	252
Hubbard, James B., Director, National Economic Commission, The American Legion	62
Prepared statement of Mr. Hubbard	242
Lopez, John, Chairman, Association of Service Disabled Veterans, accom- panied by Joseph Forney, Assistant Coordinator, Disabled Veterans Busi- ness Enterprise	73
Prepared statement of Mr. Lopez	256
Magill, James N., Director, National Employment Policy, Veterans of Foreign Wars	70
Prepared statement of Mr. Magill	249
Weidman, Rick, Director, Government Relations, Vietnam Veterans of America	57
Prepared statement of Mr. Weidman	230

MATERIAL SUBMITTED FOR THE RECORD

Bills:	
H.R. 4765	77
H.R. 3256	118
Statements:	
Hale, Captain Thomas M., USN (ret.), Senior Vice President, Resource Consultants, Inc. (RCI)	260
Plowden, Jr., William C. Plowden, Jr., Director for Veterans' Employment and Training, South Carolina, U.S. Department of Labor	265
Whitley, Heather M., Director, Division of Employment and Training, Department of Human Resources, State of Kansas	278

H.R. 4765, THE 21ST CENTURY VETERANS EMPLOYMENT AND TRAINING ACT, AND H.R. 3256, THE VETERANS' RIGHT TO KNOW ACT

WEDNESDAY, JULY 12, 2000

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON BENEFITS,
COMMITTEE ON VETERANS' AFFAIRS,
Washington, DC.

The subcommittee met, pursuant to notice, at 10:05 a.m., in room 334, Cannon House Office Building, Hon. Jack Quinn (chairman of the subcommittee) presiding.

Present: Representatives Quinn, LaHood, Filner, Evans, and Reyes.

Also present: Representative Frelinghuysen.

OPENING STATEMENT OF CHAIRMAN QUINN

Mr. QUINN. Good morning, and I'm going to convene this morning's hearing and welcome everybody who is with us this morning and members of the subcommittee. We're beginning as close to 10 o'clock as we possibly can, as history tries to get us to do here.

I want to welcome you this morning to the first of 2 days of hearings on H.R. 4765, the 21st Century Veterans Employment and Training Act, and H.R. 3256, the Veterans' Right to Know Act. During our hearings today and tomorrow, some witnesses will testify on both bills, but some will testify on one.

I do want to mention that, while we're beginning at 10 o'clock this morning, the hearing tomorrow morning will begin at 9 a.m. So for those of you who wish to return either to participate or to observe, 10 o'clock today, obviously, but 9 a.m. tomorrow.

My partner on the committee, Bob Filner, and I, full chairman and ranking member on the full committee, Bob Stump and Lane Evans, introduced the 21st Century Veterans Employment Act on June 27. Informing this bill was the subcommittee testimony on veterans' employment legislative concepts last October, and 3 half-day work group sessions of witnesses that Bob and I convened this Spring.

Many of you here in the room this morning, and others, gave generously of your time and talents in making these work sessions a success, and we're very, very grateful because both Bob and I felt it was important to involve all of you who potentially may be affected by the legislation in the whole process. Your expertise has been priceless.

Of course, we say the legislative process is like making sausage; everyone likes the end product but it doesn't necessarily mean you want to see how it's been made. Sometimes it's not as nice as it seems throughout the process, and now you know why.

Veterans are highly resourceful and engaging individuals. Each provision in our 21st Century Employment bill had to pass the subcommittee's litmus test of whether or not our bill would help veterans get jobs. If it did, we kept it; if it didn't, we dropped it. In my opinion, Disabled Veterans Outreach Program specialists and Local Veterans Employment Representatives are good people who are trapped in an antiquated delivery system—frankly, as created by the Congress.

Current law governing the delivery of veterans' employment and training services predates and was not designed for, but predates, the current era of government performance and results. The creation of some 2,000 new One-Stop Career Centers in the 50 States under the Workforce Investment Act and the public and private Internet-based job placement services mean some veterans, but not all, need only visit their personal computer at home to get employment help.

Whether or not Department of Labor data show that one in two, one in three, or one in four veterans get jobs when visiting job service offices, the subcommittee still would have created this bill because, as the bipartisan Congressional Transition Assistance Commission pointed out, veterans indeed are a unique national resource; one that we as a Nation must harness.

We believe we have a good bill and, with your help, what we learn from you at today's hearing I believe will make it even better.

The subcommittee is also delighted to take testimony on H.R. 3256, the Veterans' Right to Know Act, introduced by our colleague, Representative Bill Pascrell, who is with us this morning. The measure would improve veterans benefits outreach programs carried out by the VA.

Welcome, all of you who are here, our colleagues, but first I would like to turn to Mr. Filner for any opening remarks. Bob.

OPENING STATEMENT OF HON. BOB FILNER

Mr. FILNER. Thank you, Mr. Chairman, and I thank our colleagues for being here this morning. They have been great leaders in our efforts to improve our services to veterans, and you will see that today.

As the Chairman said, we will be considering two issues that are of great importance to our veterans: employment and access to information about benefits. We will have a series of hearings on this, and I know we'll learn a lot.

In my opinion, the subcommittee's focus on employment is extremely appropriate. Title 38 of our U.S. Code proclaims we have a national responsibility to assist veterans in their efforts to find and maintain stable and permanent employment. And I know firsthand there are a lot of hard-working, caring people out there whose livelihoods are made by providing employment services to veterans.

Every day, these dedicated people strive to fulfill our national commitment. I can say this with confidence because I've had the pleasure of meeting some of these people and seeing firsthand what

they do. They are the Disabled Veterans Outreach Program Specialists, the DVOPS, and they are the Local Veterans Employment Representatives—LVERs. They leverage things for our veterans. They are community-based and veterans' service organizations. Many, in fact, are veterans themselves, and I am looking forward to hearing testimony from these folks who know so much about the situation.

We will discuss how to draw from the many strengths and talents of these great people and organizations to improve the quality of employment assistance we provide to men and women who have served in our armed forces.

In its final report to Congress, the Transition Commission stressed that employment is the dominant concern—the dominant concern—for most veterans making a transition from military to civilian life. The Commission concluded that a veteran with a good job is in the best possible position to confront the many different challenges associated with life as a civilian.

I know the Chairman agrees with me that it is our clear responsibility to provide the tools necessary to maximize opportunities for job-seeking veterans. I am particularly pleased that my former legislation, H.R. 364, the Veterans Employment and Training Bill of Rights Act, is now a part of the larger bill, H.R. 4765.

I first introduced this legislation in the 104th Congress, and re-introduced it in the 105th. I believe that service-disabled veterans and veterans who serve in combat areas have more than earned the right to priority service for federally funded employment and training programs such as the programs established under the Workforce Investment Act.

This would be a new right to priority service that is not now available to veterans and would be in addition to current law which requires priority of service in local employment service offices. Additionally, I believe that veterans must be represented on State and local boards established in support of employment training programs, such as the Workforce Investment Act related programs.

I also believe that veterans who feel that federal contractors have violated their rights to affirmative action in hiring should have an effective appeals process available to them. H.R. 4765, before us today, would accomplish these and other important goals with respect to employment services for veterans.

I am looking forward to the testimony today. I want to especially thank our committee colleague, Mike Doyle from Pennsylvania, for being here and testifying today. He is a leader in these issues and has brought his energy and commitment to us. And Bill Pascrell from New Jersey has done an incredible job in his first years here to enlighten us and really stir the activism and encourage and respond to the wishes of the veterans in his home State of New Jersey.

And, Bill, we thank you for your outstanding leadership and look forward to hearing from you today.

[The prepared statement of Congressman Filner appears on p. 122.]

Mr. QUINN. Thank you, Bob. Thanks very much. Mr. Evans, any opening remarks before we get to the witnesses?

OPENING STATEMENT OF HON. LANE EVANS

Mr. EVANS. Thank you, Mr. Chairman. I want to thank you for scheduling today's hearing. I want to begin by thanking the gentleman from New Jersey, Mr. Pascrell, for his continued leadership and motivation to ensure that our veterans, their survivors and dependents, are all informed of the many rights and benefits they're entitled to from the VA.

Over the years, I know that the Veterans Benefits Administration at the VA has done a good job of producing high quality information and materials that outline various veterans benefits; however, if potential VA beneficiaries are not aware of the benefit programs to start with, it follows that there can be no way for them to know how to seek out the information on those benefits. That's why I'm happy to join Mr. Pascrell in co-sponsoring H.R. 3256, the Veterans' Right to Know Act.

I'm looking forward to receiving our witnesses' testimony on what I think is a very great bill. I'm also looking forward to revisiting an issue of employment services for veterans and hearing your views on H.R. 4765, the 21st Century Veterans Employment and Training Act. We all know that pursuing a career that is satisfying is a primary component in living a full and rewarding life.

Over the course of today and tomorrow's testimony, we'll discuss aspects of the programs that are provided by a grateful Nation to our veterans. They are designed to enhance the ability of our former servicemembers to achieve their goals following honorable military service. We will discuss the results of numerous work groups that have been held since the last time the subcommittee considered employment issues last year, the programs are the veterans employment programs administered by the Department of Labor Veterans' Employment and Training Services.

I am pleased to see such bipartisan support in exploring ways to improve the ways we can find to help our veterans get the good quality jobs that they deserve.

Additionally, I want to support a cooperative effort with the Secretary of Labor to evaluate the roles and functions of the veterans' employment specialists, changes in the number and responsibilities of these important positions must be made very carefully and only with consensus among the veterans and the employment service communities.

I look forward to hearing from the witnesses this morning, Mr. Chairman. The issues we are considering are significant, and your advice and guidance will be very important to us. Thank you again.

Mr. QUINN. Thank you, Mr. Evans, and thanks for your help on this and other issues on the full committee throughout the year.

Mr. Reyes, opening comments, sir?

Mr. REYES. Thank you, Mr. Chairman. I have a statement for the record.

Mr. QUINN. Without objection, so ordered as included.

[The prepared statement of Congressman Reyes appears on p. 126.]

Mr. REYES. And I just want to welcome our colleagues and all the hard work that they do on behalf of our veterans. And also I see our good friend and mentor, former Congressman Montgomery, in the audience, and we want to welcome him as well.

And just briefly, one of the most frustrating things that our veterans come up against is being intimidated by a bureaucracy, so I'm pleased to be part of at least two bills and look forward to the testimony.

There are some things that are being done right and certainly deserve to be recognized, but I'm pleased to be part of these two bills.

Mr. QUINN. Thank you, Mr. Reyes, and we appreciate your input and comment throughout the year. It's very, very helpful to everyone.

So almost everyone in the audience has been mentioned so far. Before we get to our testimony this morning, I saw our leader, Sonny Montgomery, earlier this week on the Hill. He said he'd come but wouldn't testify. It's almost like being at school and having the principal look over your shoulder while you're there.

Mr. FILNER. Why does Mr. Montgomery always appear when Miss America is testifying?

Mr. QUINN. And I notice Tony Principi seems to show up on the same panel with Miss America, too. Bob and I were just talking; we'd like to trade seats with you. We'd like to be out there, I think, sometimes.

In any event, thank you all for the opening statements and all of you for your input. Our colleagues are here. Our pre-printed schedule for this morning mentions Mr. Pascrell, in this order, Mr. Doyle and then Mr. Frelinghuysen to introduce Mr. Bernard.

Gentlemen, you know already we accept your full testimony and ask you that you keep your opening remarks to about 5 minutes or so. Mr. Pascrell, we'd like to have you begin this morning.

STATEMENTS OF HON. BILL PASCRELL, JR., A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW JERSEY; HON. MIKE DOYLE, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF PENNSYLVANIA; HON. RODNEY P. FRELINGHUYSEN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW JERSEY; AND RICHARD J. BERNARD, VETERANS' ADVOCATE

STATEMENT OF HON. BILL PASCRELL, JR.

Mr. PASCRELL. Thank you, Chairman Quinn, Ranking Member Filner, Congressman Evans, Congressman Reyes, for your remarks.

I also, Mr. Chairman, want to bring to your attention the fact that some vets came down from New Jersey this morning and are in our audience and the various organizations. These fellows and gals really do the job every day, and I want to thank them personally and I know you do, too.

Mr. QUINN. All of us do.

[Applause.]

Mr. PASCRELL. I introduced this, Mr. Chairman, the Veterans' Right to Know Act, because I came to the conclusion not too long ago after working with the vets in my own district and the veterans throughout north Jersey, working very closely with Congressman Frelinghuysen from his area, that most vets didn't know what they were entitled to and their families didn't know what they were entitled to.

And that saddened me deeply because we sign a contract, really, with veterans when they become a part of the armed forces. The contract is that after you leave that we will not forget that you've been here and defended the Nation, in peacetime and in war.

And I think that those are great words I just said, but the fact of the reality is that when I talk to the veterans in the first couple of years in my first term, I realized that this was not happening. And it saddened me. It saddened me to know—and I discussed with Congressman Doyle, my good friend—some ideas that I had.

The lack of information available to veterans and their families about the benefits and services they're eligible for has reached, I believe, crisis proportion. A survey conducted by the VA indicated that less than half of the veterans contacted were aware of certain benefits they were entitled to receive, including pension benefits for disabled or low-income veterans.

I conducted my own survey in the 8th Congressional District in New Jersey, and that survey showed very specifically that over half of those answering had no understanding of the benefits that they were entitled, and no confidence that their questions could be satisfactorily answered by the VA. That, in itself, left me puzzled and wanting to try to do something about that.

And this is not legislation being introduced to point fingers at anybody, by any stretch of the imagination; I support the VA. But this is legislation, I think, that is necessary to change the direction we're going in.

Too often our Nation's heroes are not adequately informed as to what benefits they're entitled to receive or how to obtain those benefits. In fact, we've had all over America now registration drives to get folks signed up so that they can get the information quicker, or get the information period.

The Veterans' Right to Know Act is clear and to the point. It makes a few simple demands of the Department of Veterans Affairs. In short, it demands that they do their job. This bill requires the VA to inform veterans about eligibility for benefits and health services whenever a veteran first applies for any benefit. It also requires the VA to inform widows and survivors of vets about what is available to them and requires an annual outreach plan designed to help identify veterans who are not registered and devise ways to inform vets of changes in their benefits.

The Veterans' Right to Know Act requires the Secretary of the VA to prepare an annual outreach plan that will include efforts to identify veterans who are not otherwise enrolled or registered with the Department for benefits and services. And it requires that the VA consult with the actual veterans' organizations in developing the plan.

And we've seen this is in so many areas, Mr. Chairman, and I've heard you speak about it on the floor of the House, that in health matters and housing matters, I've heard you speak of this. How can we put plans together for veterans without consulting them first; that we have a bottom-up approach rather than a top-down, and we provide information that they need, not information that we think they need.

We've talked about that many times, and all of us here support that effort, and that's what this legislation is trying to reflect.

We have the strong support of the Veterans of Foreign Affairs, Foreign Wars, American Legion, Disabled American Veterans, Jewish War Veterans, Vietnam Veterans of America, and the Veterans' Widows International Network. And it is bipartisan—and I pause when I say that. That's needed in this great House more than at any other time.

I believe it's common sense legislation that all of the Congress should support. When our brave soldiers stormed Omaha Beach on D-Day, when they fought to push the North Koreans back to the 38th Parallel or battle the North Vietnamese army to take Hamburger Hill or face down Saddam Hussein's Republican Guards during the Gulf War, we did not ask these selfless men and women whether they were Democrats or Republicans. And so we must put aside our partisan differences to make this bill into law.

I believe it is an outrage—and I don't believe that word is hyperbole, too strong—that the government that they fought for is not doing a good enough job informing them of what they are entitled to receive. And I want to change that trend.

Abraham Lincoln spoke of this responsibility in his second inaugural address, saying, "We must care for him who shall have borne the battle, and for his widow and his orphan." Throughout our Nation's history, millions of men and women have served in our armed forces. They have defended the very freedoms our country was founded upon. This bill honors that commitment.

Mr. Chairman, I thank you, sincerely thank you, for allowing us to make this presentation today, and I am honored to serve with such men as Mike Doyle and Rodney Frelinghuysen in presenting this to the committee.

Thank you.

[The prepared statement of Congressman Pascrell appears on p. 130.]

Mr. QUINN. Thank you very much, Mr. Pascrell. Mr. Doyle.

STATEMENT OF HON. MIKE DOYLE

Mr. DOYLE. Thank you very much, Chairman Quinn and Ranking Member Filner and members of the committee, for extending the opportunity to testify before the subcommittee today regarding legislation introduced by my distinguished colleague and good friend, Representative Pascrell.

I am particularly appreciative to be able to voice my support for H.R. 3256, the Veterans' Right to Know Act, as well as contribute to the broader discussion on matters directly impacting the delivery of veterans benefits.

First, I want to formally thank Representative Pascrell for being so responsive to my concerns regarding the informational needs of veterans' widows and for incorporating related provisions into the legislation before us today. I also want to recognize his longstanding record on working to improve the quality of life for our Nation's veterans. It's always refreshing to see that Members of Congress who don't serve on the Veterans' Affairs Committee care strongly about the issues that you and I devote so much of our time, effort and commitment towards.

As members of the committee, you're well aware of how often insufficient information is made information to us by the Depart-

ment, and without that information, be it basic in nature or in-depth analysis, sound decision-making becomes elusive and at times nearly impossible.

Thus, whether the matter at hand is the committee's evaluation of the Department's capital asset plan, review of initiatives to reduce health care waiting times, or an individual's attempt to determine what their benefits are, the level of frustration is the same and should be taken just as seriously.

I truly believe this, and that is why I think it's beneficial, whether it be putting together witnesses to testify before the committee or in drafting legislation, that it is prudent to always put the thoughts and concerns of the people directly affected at the forefront.

That's why I took great note of the firsthand experiences relayed to me by members of the Veterans' Widows International Network when they visited my office last spring. At that time, members of the Network detailed the personal difficulties they had endured and strongly advocated for the establishment of a central national office within the Department to oversee all the needs of veterans' widows and other related beneficiaries.

For those of you who are unfamiliar with this organization, the Veterans' Widows International Network was established in 1995 and has dedicated itself to reaching out to veterans' widows to inform them of benefits for which they might qualify, to provide them with a point of contact for processing their claims, and keeping them abreast of changes.

Now, the Network has done an admirable job in this respect, but if you're like me, you're probably wondering why the Department isn't providing these services. There are a whole host of challenges that the Department would argue that preclude them from improving adequate access to and the timely processing of such information.

But that just isn't good enough, and that is why Congress should make it a priority to pass the Veterans' Right to Know Act, as well as other important legislative initiatives such as Representative Evans' Duty to Assist Veterans Act.

While we all recognize what needs to be done to improve the flow of information to veterans and their families, which in turn will better facilitate the delivery of appropriate health care, I want to briefly touch upon what is actually happening in the networks in my area in western Pennsylvania.

All ten networks in VISN 4 will be embarking on an initiative, appropriately named "Family Matters." The Family Matters initiative is committed to ensuring that family involvement in present in every aspect of provision of care to the veteran.

Furthermore, in keeping with the outreach aspects of the Veterans' Right to Know Act, family means not only tradition family units of spouse, children and extended family relatives, but also all of the nontraditional families of significant others who are interested in and involved in the welfare of the veteran.

I think the decision to implement such an initiative makes good sense but, again, its success is predicated on an individual veteran being aware of what benefits they are entitled to. As Representative Pascrell said, a recent survey by the Department indicated less

than half of our veterans are aware of the benefits they're entitled to, such as pensions for disabled and low-income veterans.

So, again, on many fronts, it is clear that there is a great need for legislation such as the Veterans' Right to Know Act. It's my hope that the members of the subcommittee will recognize this fact and act expeditiously to move this bill through the committee.

Mr. Chairman, thank you for your time. Thank you, members of the committee.

Mr. QUINN. Thank you, Mr. Doyle. We appreciate your input on this.

For our third witness, we are going to yield to the gentleman from New Jersey for introduction purposes, Mr. Frelinghuysen.

OPENING STATEMENT OF HON. RODNEY P. FRELINGHUYSEN

Mr. FRELINGHUYSEN. Thank you, Mr. Chairman, Ranking Member. It's an honor to be here and to be here to support this bill that's sponsored by Congressmen Pascrell and Doyle and many others.

Mr. Chairman, I am pleased to be here today specifically to introduce my constituent, who is to my left, Mr. Richard Bernard, of East Hanover, NJ, a true American hero. Dick has been a tireless fighter on behalf of New Jersey's veterans for a long time and veterans everywhere, and has had a long and distinguished career of working on veterans' issues. In fact, Dick served as Deputy Commissioner for Veterans' Affairs for the State of New Jersey's Department of Military and Veterans' Affairs for nearly 4 years. No one knows better than Dick what benefits our veterans are entitled to receive.

As a Marine with the Fox Company's Seventh Regiment of the First Division, Dick served with honor during the Korean War. He fought in the Battle of Chosin Reservoir, and despite receiving very severe wounds, continued to fight against Chinese forces, and today he is a fighter for veterans in a very special way.

Mr. Chairman, it's an honor for me to introduce a true American hero, Dick Bernard. Thank you, Mr. Chairman.

Mr. QUINN. Thank you, Mr. Frelinghuysen. Mr. Bernard, welcome. It's an honor for us to have you with us here this morning.

STATEMENT OF RICHARD J. BERNARD

Mr. BERNARD. It's an honor to be here, Mr. Chairman Quinn. We met years ago with Jimmy Poloso, and I think we worked on the Medal of Honor issue, and we were able to get that through.

I would like to correct my resume. It states April 19 of 1994 to July 12, 2000, that I was appointed and am a member of the Veterans Advisory Committee on Rehabilitation by the Secretary of Veterans Affairs. Well, I had submitted my resignation and also my testimony, but things have happened in the past couple days. I had a meeting with Herschel Gober, who is now the Acting Secretary.

And Herschel and I have known each other for many years, and I shall tell you right now he will tell you the truth; he will tell you things as they are and he will not hold anything back from you when it pertains to veterans; and he's an advocate for veterans.

My testimony is not going to be very complimentary to what's been going on, but it's meant to correct the problem. And if I can

ask you, I've agreed to stay on and give him a hand on that committee. I'm not going to put in any pay or anything else like that because he only has 6 months to change what's been going on.

And, basically, you have been not getting the information that you should be getting to make the decisions that you have to make. And I'll start with my written testimony, but I ask that you cooperate as much as possible—and I'll stake my reputation on Herschel Gober as far as being an advocate for veterans.

Mr. QUINN. Thank you, Mr. Bernard. We appreciate that. I want to mention before you begin with your statement that we were just called to a vote on the House floor. We'll be called again in about 5 minutes to get over there. So my intention would be to hear your opening remarks this morning and then not only the three members at the table but all of us up here also have to run over, so we'll just recess for a few minutes.

But please go forward for 5 minutes.

Mr. BERNARD. Okay. Mr. Chairman, members of the subcommittee, first of all, I would like to thank Congressman Pascrell for fighting on behalf of the veterans to make sure they know what services and benefits they are entitled to. I am pleased to have the opportunity to appear before you to present my views in supporting H.R. 3256, the Veterans' Right to Know Act.

As a Marine who fought and was severely wounded in the infamous battle on Fox Hill, I appear before you today as a private U.S. citizen who is dedicating my entire life, adult life, to assisting fellow disabled veterans overcome obstacles placed upon them following their individual military service to veterans.

Mr. Chairman, I have attached my full statement and asked that it be made part of the record.

Mr. QUINN. Without objection, so ordered.

Mr. BERNARD. Today, there are 25 million living veterans and approximately 44 million family members of living and deceased veterans. These men and women highly value patriotic service to our Nation. The depth of their appreciation is revealed in the ways that go beyond what the Department of Veterans Affairs, VA, can do. Veterans helping other veterans provide assistance and support in order to ensure that the accurate information is disseminated and timely delivered.

H.R. 3256, which amends Title 38 United States Code to improve outreach programs carried out by the VA, this legislation will allow veterans the ability to be more fully aware and informed of the benefits available to them under the law administered by the Secretary of Veterans Affairs. And I underline that.

This legislation is important to prevent the following problems I have experienced. Additionally, I call the entire Congress to adequately fund the VA in order to quell the chaos that is occurring within the entire VA system.

Because of the inadequate congressional appropriations for health care, the benefits I earned as a result of my wounds have caused me frustration, turmoil, disillusion with the entire system. It is my belief that with the help and enactment of H.R. 3256, the following problems will not be able to occur, or be limited.

For one, the VA health care system is being forced to capture as much revenue as it can and bills my private insurance company for

a condition even a layman can see are the direct result and causality related to my wartime experience.

Two, also consideration should be given to the old system of those veterans who are service-connected 50 percent and above without any second party billing, and those veterans who are service-connected from zero to 40 percent should receive service-connected treatment paid for by the VA. No person who has service-connected disabilities should ever have a private insurance company pay for the treatment for disabilities incurred or related to their military experience.

I just returned from a 7-day trip to Korea, along with seven other Korean War veterans. We were the guests of the fine Governor Christine Whitman and her wonderful husband, John. I hold here—and I will pass it around for you to see—a medal that was given to each of the Korean War veterans that were accompanied by the Governor on the trip.

I am extremely grateful to the South Korean government for not forgetting us. But what I find when I return to my own country here in Washington, the President, the Vice President, some in the House of Representatives, the Senate, the Secretary of Veterans Affairs—and that's before the change in a few days, the last few days—are going to be commemorating Korean War veterans by hanging medals on us that served while forgetting the medals and memories that hang inside of us still—like bullets, shrapnel, disease and nightmare.

As of today, the VA medical administration's coding system has me listed as being service-connected for the following conditions: 100 percent loss of both feet, which is in error; 100 percent arterial heart disease; 30 percent cold injury disease—that's to my hands; 30 percent cold injury to the other hand; 10 percent paralysis of the medial nerve. That doesn't mean anything to anybody, but it's carpal tunnel syndrome. It doesn't mean anything to a clerk that would be billing. She doesn't know what that is. Zero percent paralysis of the other medial nerve.

On September 15, 1999, I gave East Orange VA Medical Center a copy of the board decision that established a new service-connected rating of 30 percent for post traumatic stress disorder. As of today, that 30 percent for post traumatic stress disorder is not listed on my rating schedule. I hand-delivered it months ago.

I would like to read to you, too—this is a letter that went to the VA. It's dated 5-10-99. This is the benefits section. "Dear Sandy, I faxed you today the attached letter that was sent to me, upon my request from Robert Ezell," who lives in California, "and Richard A. Gillings," and I give the address. Both of these men served with me in Korea, as indicated in their letters. They have validated in their letters that I was subject to extreme cold weather conditions for a period of 5 days, which affected my whole body.

"I find that I have been reliving these 5 days in recent weeks. I believe I have been able to shut out the experiences by keeping myself busy most of my life. In recent weeks I've been waking up at night and constantly thinking about experiences that I and my friends had. I am very angry"—and I want to tell you something; this is like therapeutic for me to be here today, and I want to thank you for that.

[The prepared statement of Mr. Bernard, w/attachments, appear on p. 132.]

Mr. QUINN. Mr. Bernard, believe it or not, it's very helpful to us, and we hope it helps you.

I do have to tell you, though, and interrupt you now—and I hate to do that—but we are, I am told, down to about 5 minutes and ten seconds for all of us to get over there. So I will mention to you that we are all going to get a chance to speak with you. We have your full statement for the record. I announce to the rest of the audience that we're going to just recess here long enough for us to get over for one vote and then, when we return, we'll begin with Panel Number Two, Joe Thompson and his assistants.

We are in recess.

[Recess.]

Mr. QUINN. Good morning again and, Mr. Thompson, welcome. Thank you for arriving at the table on time. I am told that we, Bob and I, can expect a vote in about 45 minutes. We have activity in the hearing room right around lunchtime, so we're going to do what we can to move through here.

You already know the drill, Mr. Thompson. We give you about 5 minutes or so. Mr. Epley is here to assist you, but certainly we have your written statement in full and we have had a chance to review it. Please begin.

STATEMENT OF JOSEPH THOMPSON, UNDER SECRETARY FOR BENEFITS, VETERANS BENEFITS ADMINISTRATION, DEPARTMENT OF VETERANS AFFAIRS; ACCOMPANIED BY ROBERT EPLEY, DIRECTOR, COMPENSATION AND PENSION SERVICE, VETERANS BENEFITS ADMINISTRATION, DEPARTMENT OF VETERANS AFFAIRS

Mr. THOMPSON. Thank you, Mr. Chairman. Good morning. I need to say at the start, that in VA we do believe outreach is a fundamental part of our mission. We are glad to be able to provide input on these legislative proposals.

The range of benefits and services offered by our Nation to help veterans is unprecedented. Virtually all of the numerous programs available to citizens at the Federal, State and local level have a corresponding veterans program and some programs are unique to veterans themselves.

If you think of what's included on that list—complete medical care, nursing homes, disability compensation, income support programs, specially adapted vehicles, specially adapted homes, GI Bill education, home loan assistance, vocational rehabilitation, individual independent living services, life insurance, employment assistance, small business assistance, burial benefits, burial in National Cemeteries, plus a complete range of comprehensive survivors and dependents benefits—with such a complex array of programs, the goal of successful outreach is to marry up the right people with the right information at the right time. In VA, that's what we're trying to do.

I would like to mention some of the techniques and the media that we use. Our primary vehicle is our toll free telephone service, 1-800-827-1000. You can dial that number from any place in the

United States and can get entree to everything that's available to you as a veteran.

The Internet, and the use of it, grows by the day. We have a comprehensive amount of information on the Internet. By the end of this year, we will also include benefits available at the State level for every veteran, so they can go in and see what's available to them from the States as well.

We do millions of mailings a year, including specially targeted mailings, news releases, public service announcements, pamphlets and brochures—many of which I think were provided to the committee—Town Hall meetings, and homeless vet stand-downs throughout the United States. We have counselors in scores of locations throughout this country, and we conduct a lot of seminars and training.

We try to target activities to specific audiences. For folks on active duty, one of the first things to do is accept or decline Servicemen's Group Life Insurance. Over 90 percent accept it. We also tell them about other benefits that are available.

As Montgomery GI Bill participants in service take advantage of the program, we tell them about other benefits, including home loan guarantees.

Through our Transition Assistance Program, which is where we provide information to separating servicemembers, we counseled about 227,000 men and women getting out of uniform last year. The Disabled Transition Assistance Program specifically provides vocational rehabilitation opportunities to people getting out with disabilities. We did that about 8,000 times last year.

Our Benefits Delivery at Discharge Program, which we're very excited about, allows separating servicemembers to file claims before they get out. We make the decision on, or shortly after their release from active duty date. We have 83 locations in the United States where we provide service to people separating from the military. We'll have over 100 by the end of this fiscal year. We hope, in the future, to open facilities in both Europe and Asia as well.

For those who die while in service, we work very carefully with Casualty Assistance Officers to provide help. And for those who have terminal illnesses while in service, we try to guarantee benefits within 24 hours of death.

For veterans recently separated, everyone that gets out of service we get a copy of their separation documents and/or their DD-214; we send letters and pamphlets to them about what's available. Six months later, we follow that up. They also get notices about the availability of Veterans Group Life Insurance, and we've done hundreds of thousands of those. Between education and insurance, we did about 700,000 actions last year.

Regional offices have very specific program coordinators who try to tie our benefits to targeted groups, including women, minority veterans, homeless veterans, and former prisoners of war. Speaking of homeless, in fiscal year 1999, we visited over 2,700 shelters, homeless shelters; we had 4,700 contacts with community centers; we held 136 stand-downs where basically we assemble all of the government services in one place and invite homeless veterans to come and get a complete range of assistance.

Our home loan program brings in the lending community, the mortgage banking community. We bring them in to locations throughout—

Mr. FILNER. Can I interrupt for a second? I'm sorry, Joe. What did you say about the stand-downs?

Mr. THOMPSON. We held 130—

Mr. FILNER. You held them? I mean, VA holds them?

Mr. THOMPSON. Well, VA, DOL. We participated in them.

Mr. FILNER. I'm sorry, again. This seems to me the heart of the whole problem. I remember I was on the San Diego City Council in 1987, and Bob van Keuren, who I think works for you now, started the first stand-down. The stand-downs come out from the community and the veterans because the services aren't being provided in a way through the VA that people can access.

The stand-downs come from the community. How are you running the stand-downs now? You have been forced into sort of co-operating with them, but do you sponsor them? Not in San Diego, you don't.

Mr. THOMPSON. But we play an integral role in those things, both on the health care side and the benefits side. Absolutely we do.

Mr. FILNER. But why are they needed? Why are the stand-downs needed?

Mr. THOMPSON. It's a very difficult population to reach. That's one of the best ways we've found. I'll attribute the authorship to San Diego. I wouldn't argue that.

Mr. FILNER. No, but look, I've gone to them every year since 1987. And I always say in my speeches: I'm sick of coming to these things. I'm sick of coming to these things—not because they are not necessary, but because it shows that, when the community participates in a focused way, all of the services are brought together in a way that really benefits our veterans. And for 3 days, people are taken care of. Why can't we do that every day? And that's the job of the VA.

I just don't understand why that was ever needed if we were doing our job right. And then to claim that you're running them, when the whole thing comes out of community demands for services in a way that they don't get ordinarily and which they should.

Most of us and most of you have been to stand-downs and you see how the services are brought together and the medical care and the legal advice and the court system and the counseling and the support, and on and on, is all brought together. For 3 days, people feel good and then we leave them back to where they were again.

So I'm sorry to interrupt you. I was going to comment at the end, about the disconnect between the perception of what is being done inside and what is being done outside. These are two entirely different things, and I think you need to figure out, instead of telling us what you're doing, why is the perception so negative.

I was watching your body language when Congressman Pascrell was talking about the need to know and you were saying: well, we do all that stuff, why is he telling us—he's just coming along from the outside and we know we're already doing this.

But why do so many people think we're *not* doing it? Why is there the perception by so many? That's what I think you need to

focus on, not what you're doing and how everyone else is all wrong; but why do we need this bill. Why is it? Have you stood anonymously on some line somewhere and seen how veterans are treated? Have you tried to call the 800 number that may never answer? I mean, have you talked to people who don't really try to get to the heart of the problem but just answer some technical vocabulary and move them on to somebody else?

This is what is occurring all across the country, and I don't think you need to get defensive. I think you need to figure out why that's the perception.

Mr. THOMPSON. Well, I don't feel defensive about it. I would acknowledge that we can always do a better job of outreach. I think that the points you make are valid ones. The stand-downs certainly are a community enterprise, I wouldn't deny that; but I think VA does play an integral role in it.

I think there are lots of things we can do better. I think that what we have found in outreach is that the best success is targeting your outreach efforts to specific audiences and not a blanket approach. We mail out tons of paper today. I'm not sure how much good that does. I think that targeting the audiences, deciding what exactly what processes work, and spending your precious resources that way makes more sense.

If I could, Mr. Chairman, I'd like to continue with this.

Veterans who file claims for compensation with us, when we rate them they are told of the availability of vocational rehabilitation and special insurance programs for those who have been disabled. For people who are in the medical care system, VA made a massive effort to put information out on enrollment—mailings, news releases, public service announcements, fact sheets, Town Hall meetings, creation of a special hotline number that has received over a half a million calls already.

The VSOs—we do work with them. They publish information, about the availability of benefits and services all the time in their magazines.

Our telephones. As I mentioned, we have a nationwide, nationwide toll free service. We have specific phone numbers for home loan benefits, for education benefits, for Gulf War veterans, for folks with hearing disabilities. We have an interactive voice response that runs 24 hours a day, 7 days a week, to allow people to come in and get some of their questions answered. And we do answer millions each year.

We have scores of offices throughout the United States with people who can help veterans with questions about their benefits. We did 1.2 million interviews in fiscal year 1999, personal interviews.

The Internet, as I mentioned, grows by the day. Every important fact and every benefit that veterans are potentially eligible for from the Federal Government are listed on the Internet, including how you should proceed to apply.

We also accept e-mails, and return them, on various questions. The use of that grows by the day. By the end of this month, veterans will be able to file online for compensation benefits, then vocational rehabilitation, and ultimately for education benefits. And it's interactive. It's like the Turbo Tax or one of the tax softwares that

works back and forth. You don't need to be an expert in VA jargon to be able to file a claim here.

So while I believe we do make significant efforts to inform veterans and their families about what's available to them, I think we can do better, to acknowledge the Ranking Member's comments. Last fall, we created, in our Compensation and Pension Service, a new office called Demand Management designed specifically to target outreach efforts within the Veterans Benefits Administration.

Diane Fuller is here with us. Diane is the new Assistant Director for that program. She is very experienced and will do a great job. I believe that we will bring significant improvements to what we're doing. That's not to say that we can't do better; I believe we can.

Mr. Chairman, that concludes my opening statement. We'll be glad to answer questions.

[The prepared statement of Mr. Thompson appears on p. 144.]

Mr. QUINN. Thank you. I have a general reaction, and then yield to Mr. LaHood or Mr. Filner if they have additional questions before we get to our third panel.

Part of what Mr. Bernard talked about earlier today in citing a specific case of his, and the frustration I think that he felt is not uncommon with a lot of veterans. And I think you're correct when you say we're not perfect and there's always room for improvement.

Give me a sense, if you can, for—I mean, the other thing that Mr. Pascrell said is that this needs to be from the bottom up, some of this discussion rather than from the top down. We don't need to tell veterans what they need; that they should be telling us what they need, how they need it, when they need it, and so on and so forth.

The statistics you shared with us this morning are helpful. We—individual Members of Congress—could probably do the same thing. We've got a thousand case studies; we've got 5,000 phone calls; I've got someone that answers my phone; I go out and do town meetings; I do targeted mailings. You know, we're in the same sort of business on a smaller scale.

What kind of monitoring devices do you have out there, when you hear from veterans like Mr. Bernard and others who say to you that all those great numbers and statistics aren't working, Mr. Quinn or Mr. Thompson or Mr. Filner; matter of fact, I need it done this way or that way, or drop that nonsense you're doing and get me something I really need?

Are you able to monitor that and make some changes to make progress?

Mr. THOMPSON. Yes, we are.

Mr. QUINN. Can you give me, sir, a couple of examples?

Mr. THOMPSON. Annually, we run a survey in all of our business lines. We ask thousands of veterans about services they received from us, and they do make those comments. You haven't told me about the full range of benefits; I had to ferret information out; those kinds of things. We also run focus groups where you can get highly qualitative feedback, just as some of the early panelists testified.

We do two things, but probably the most important thing we do is redesign our systems. You heard me testify on this before, traditionally we have an assembly line process; when you come in, your

paper falls in there, somewhere at the other end we make a decision and you get your paper back with some writing on it.

Now we're in the process of assigning case managers. You have an individual human then. Once you come in contact with this agency and you have a claim, you will have an individual human being and access to them so that you can not only find out what's going on with your claim, but anything else that may be available to you. Your claim would be developed much more thoroughly. That's changing VBA's basic business processes.

But I think, just as importantly, what we found with outreach is that, in agreement with what Congressman Filner said, you need to find the groups that have access to the specific veteran populations you're looking to serve. For example, with the issue of helping people when the veteran dies, we have to work with the funeral industry. We do that and we're doing more of that.

One of the prime outlets for information is the funeral director. At the time the veteran dies and the family is in the funeral home, is a time to begin the process. It isn't necessarily a time to bombard them with information because we've found that it isn't necessarily going to be well received at that point in time, but it is a time to steer the families into what may or may not be available to them.

I think that those two things—changing the fundamental business processes, but targeting our efforts for outreach and working with the specific groups enables us to mail specific information. I mentioned all of the programs available, most of them don't apply to most people most of the time. You only want to aim——

Mr. QUINN. Excuse me, Joe. You don't have to tell Members of Congress what targeted mailing is. Trust me. Trust me when I tell you. You don't have to tell us what targeted mailing is.

And I sincerely mean that, that we are all in the same kind of business as you except we—we're not in some ways. But I guess—and it's a broader question maybe that I need to frame better for you, and I'll think about that and talk to you.

But I guess a frustration I have is, you know, I don't deny that your employees are working hard and doing a good job, but we need to be able during the course of a year or a month or a week, that when we get feedback from outreach or wherever you get it, however you get it, from surveys or outreach or focus groups, that we're able to change and adapt. Because, clearly, some of the stuff is not working.

The best people to hear how to improve that is from the people who are receiving the services. That's why we do surveys. That's why we do targeted mailing. Believe me. And if we get above 50 percent, we're back to try it again sometime.

But I guess—and it's unfair, maybe. That's a frustration of mine, and I'll get it to you framed and worded a little bit better than that.

Mr. LaHood, anything?

Mr. LAHOOD. Mr. Thompson, I looked over your testimony. I didn't read it word for word, but if you could summarize for me, as succinctly as you'd like, tell me what your objection is to this bill.

Mr. THOMPSON. I believe that it would not achieve the goal that I think is intended, which is to better inform veterans. I share the desired outcome of the legislation, but our belief is that it would not accomplish the goal. We mail a lot of information out now and we do make it available but because of the sheer volume of programs available, it's hard for people to sort through.

I think the single best thing you can do for a veteran or a family member if you want to help them with their benefits, is put them in touch with somebody that knows the business.

In my opinion the single best thing we can do is to get them speaking to a knowledgeable person. It doesn't have to be a VA employee, State and counties have such employees, as do the VSOs.

Mr. LAHOOD. Well, if this bill were to be passed and signed into law, what do you think it would do to you and your staff and all of that? What impact would it have?

Mr. THOMPSON. It would engender some cost, but we could do this. We're, in fact, trying to do pieces of it in our administrative process, but it's not an insurmountable issue for us. It would engender some costs but, other than that—

Mr. LAHOOD. Have you talked to members who introduced this bill about the concerns that initiated them to introduce this?

Mr. THOMPSON. I have not had that opportunity as yet, Congressman. I have heard the concerns and I share the Chairman's frustration with this. I know we can do a better job. We're working very hard to do that. We're meeting with some success. But I understand the frustrations. I've been working with veterans for 25 years, and I've heard these concerns. I can see it in national surveys. I understand that. I'm not saying that they don't exist.

I think that it has to do with the complexity of what's available and the difficulty of explaining it and getting the information to them at the right time. For example, we give a lot of the information to separating servicemembers, but I'm not sure they're focused on their benefits at that point in their life. A lot of them walk out the door only half listening to what's being said or maybe not reading at all the material that's been given to them. At some point, they may need some help and then they begin to investigate a bit more.

I think targeting our efforts to when they really need the help; to those who specifically need it; and carefully focusing the information, is the best way to do the best job.

Mr. LAHOOD. Well, do you think this bill would set up more bureaucracy or more red tape, or do what its intended purpose is, is to cut the red tape and cut the bureaucracy and allow for more interface between your staff and veterans?

Mr. THOMPSON. I don't think it would minimize the bureaucracy. I mean, we could include more information with what we send them. I just don't think it will get the job done. I think the intentions are good and I agree with the intentions; I just don't believe it would achieve its goal.

Mr. LAHOOD. May I continue?

Mr. QUINN. Yes.

Mr. LAHOOD. I guess the President has nominated someone as the new Secretary of Veterans Affairs; is that right?

Mr. THOMPSON. No, I believe Mr. Goyer will be the Acting.

Mr. LAHOOD. Oh, the Acting. Okay.

Mr. THOMPSON. Yes, sir.

Mr. LAHOOD. So he's Acting until, what, the end of this term?

Mr. THOMPSON. Correct.

Mr. LAHOOD. I wonder about the idea of having him meet with the authors of this legislation to try and figure out ways—I mean, I guess your point is this maybe makes Members of Congress feel good because they can go back home and wave a bill that they passed, some sort of veterans bill of rights or whatever, but the truth is, what you're saying, as the one who is the administrator of the agency, as the one who carries out—your staff carries out the services, this is not going to improve anything. Basically, that's what you're saying, right?

Mr. THOMPSON. That's correct.

Mr. LAHOOD. Well, then I think what we ought to do is have the Acting Administrator meet with the authors of this bill and try and get to the bottom of some of the problems that initiated them to introduce the bill.

Mr. THOMPSON. And I say that VA——

Mr. LAHOOD. And I almost think that's something you should have suggested in your testimony right in the beginning. If you don't like the bill, you ought to figure out some alternative to that.

What do you think about that idea?

Mr. THOMPSON. I think it would be a great idea to meet with them. We're always willing to sit down with anyone who thinks they have——

Mr. LAHOOD. No, I know you are. But when you see a bill like this come along, and you see the irritation and the frustration expressed by Members of Congress who are on the front line every day in their districts, and you don't like the bill, it would seem to me that maybe you would have come here today and suggested that as an alternative, rather than just saying you don't like the bill. You can't just come here and say you're doing the job when there are Members of Congress who talk to constituents who are veterans who don't feel you're doing the job without offering some alternative.

Mr. THOMPSON. Well, I did mention that we have created within the agency an organization designed specifically to improve outreach. It wasn't simply that we're accepting the status quo.

Mr. LAHOOD. When was that created?

Mr. THOMPSON. Last fall. We have been gathering specific information about how we can target our efforts. I created the office because we didn't accept the status quo, because we didn't believe we were doing a good enough job—if we thought we were doing a good job back then, the office would never have been created. It was an acknowledgment that we must do better, and the way you do that is by putting people where that is their primary responsibility. That is what we're trying to do.

I believe it's early in that process, but we are meeting with some success—and I'll mention a couple of them. We have more veterans receiving disability compensation today than any time in U.S. history. Last year in the home loan program, we had our second highest volume of home loans in the last 30 years. We have a record

number of veterans going through vocational rehabilitation programs. Every place we look, the numbers are going up.

Now, that doesn't mean we can't do a better job, but I believe that some of the things we're doing today are meeting with success.

Mr. QUINN. Thank you, Mr. LaHood. Your time is expired.

Mr. LAHOOD. I know it.

Mr. QUINN. I just want to observe that one of the things, Ray, to carry on a little bit of your discussion there that we're able to do is Montgomery GI Bill and others have been discussed as a pilot kind of program rather than a permanent etched-in-stone, this-is-the-way-business-will-be-done, as well as Mr. LaHood's suggestion that the authors of the bill have some discussion. Maybe the time is right with a new Acting Secretary to share what your office is doing.

Some consideration might also be given to a pilot program here of some length of time so that we have a chance to see if, indeed, Mr. Thompson is right or if maybe there is a middle ground where some of it works and some of it doesn't. And I hope that the authors take Mr. LaHood's suggestion, as well as this one and anything else that we've mentioned here today, to see where we go.

Bob.

Mr. FILNER. Just very briefly, Joe, we know the commitment of you and your staff to veterans. You know, nobody is questioning that. I have served on a city council; I've served on a school board; I serve in the Congress. At every level, the same thing seems to happen: the bureaucracies believe they are doing the job, and they set up all these programs and you have all these measurement and you can throw me data showing me how good a job you are doing.

And yet the people who receive the services have a different perception. And there is something fundamentally wrong with the way the bureaucracy works and evaluates and judges things. It would seem you had an easier time when you were less bureaucratic. I've sympathized with you becoming such a bureaucrat as your career advances. I mean, he had fun when he was out there with the guys; now he has to defend everything.

But you have to get back to your earlier position. It seems to me that the higher you get, the more you have to fight the internal dynamics and all the bureaucracy that is set up supposedly for you to do your job—the way you get information and the layers and layers of people and paper between you and the front lines that you're trying to serve.

You've got to fight that at every moment and figure out what it is that they're saying. And rather than coming back—well, we are doing our job—I don't know why you're saying that—really come down and understand *what* they are saying and *why* they are saying it.

And when I think of the stand-downs that we mentioned earlier which, you know, the Vietnam vets did that out of complete frustration; they brought in the VA kicking and screaming, if I recall; now, maybe you can not sustain that energy for more than 3 days, but what makes those stand-downs work, it's a total focus, it's an energy, it's a commitment, it's a breaking-through of red tape, it's a concern for the individuals, it's trying to do something right then and there for them.

There's probably all kinds of other things involved, but it seems to me that's what you should try to duplicate; break through that red tape, break through that lack of seeming concern behind the paper; try to understand the individuals and why they are in this position. Don't send them off to another office because they used the wrong word somewhere or they were asking for the wrong thing, by your definitions.

I mean, it's a frustration for all of us, but I think you all in bureaucracy have to fight that at every level and overturn your own systems, almost, on a regular basis to come to grips with what people are really saying.

There is something going on here that you don't understand. And I'm not claiming to understand it myself, but that's your job, to try to understand it and work with these folks who are trying to explain it to you. Don't dismiss them and don't be dismissive, and don't call them crackpots. They have more to say than we, in general, are willing to listen, and I think you've got to do more of that.

Mr. THOMPSON. Well, it troubles me that you call me a bureaucrat, but I suppose——

Mr. QUINN. Better a bureaucrat than a crackpot, I suppose.

We're going to dismiss this panel——

Mr. FILNER. Au contraire.

Mr. QUINN. Thank you very much. We're going to ask our third panel to come forward, please.

Our third panel, distinguished panel, I might add, of course is a returnee to the witness table—both are. The Honorable Tony Principi is the Chairman of the Congressional Commission on Servicemembers and Veterans Transition Assistance.

Mr. Principi, it's a pleasure to invite you back, and thanks for joining us this morning.

And, also, Miss America 2000, Heather French, is here. Testifying elsewhere on the Hill, I'm told this morning, on behalf of Hepatitis C, and it's great to have you back here before our subcommittee.

You are a tireless worker. An aside to tell you how I know that is when we scheduled you for testimony, someone in my staff said, "oh, it's Miss America again." I never thought the day would come when I'd say that even once. But I think that's a way to say thanks for the work you do all across the country. I heard you were out in Texas and you're all over the place. So thank you so much.

We're going to try to get both of your statements in now before we get called to another vote, and we'll press through part of that vote if we have to. Heather, we are going to ask you to begin with your statement. You know that all of what you have to say becomes part of the record, and you can keep your comments to about 5 minutes or so, that would be helpful.

Ms. FRENCH. I can do that. Thank you.

Mr. QUINN. Thank you, and good morning.

**STATEMENTS OF HEATHER FRENCH, MISS AMERICA 2000; AND
ANTHONY J. PRINCIPI, CHAIRMAN, CONGRESSIONAL COM-
MISSION ON SERVICEMEMBERS AND VETERANS TRANSI-
TION ASSISTANCE**

STATEMENT OF HEATHER FRENCH

Ms. FRENCH. Thank you. Well, Chairman Quinn and Ranking Member Mr. Filner, always a pleasure to speak in front of you about the issues and concerns that face our veterans.

The last time I came before you and the committee, subcommittees, I came to you ask Miss America 2000 with my experiences as Miss America, but now I ask that I be heard as Heather French, the daughter of a disabled Vietnam veteran and also, as I was recently introduced in Los Angeles, as every veteran's daughter, which is a new responsibility that has been placed upon me and a very large burden for a 25-year old. But it has been one that I have been glad to bear this year.

I have seen and heard many things as I've traveled 20,000 miles a month. I have been told that no other figure travels that other than in a presidential campaign, but that might be 50 years down the road. I'm not sure.

What I want to come to you today is speaking on behalf of the community-based providers who are part of the National Coalition for Homeless Veterans. They are responsible for making my year of Miss America as successful as it is.

And I want to come on to the part of why those community-based organizations do such a fabulous job. Our veterans, of course, deserve priority in their treatment; they deserve priority in service. And when we speak about the general veteran populations, we also need to take into account those who have more severe needs, and those of course are who I deal with on a daily basis, those homeless veterans and those formerly homeless veterans.

How do we create a way for them to get out of the vicious cycle of homelessness and also to stay out of that vicious cycle of homelessness? Well, one of those ways is to create better job opportunities, better training, for those veterans. And no one can do that better than the community-based organizations who deal with their severe needs on a daily basis.

Veterans—homeless veterans particularly—are more than just a housing problem, more than just a job problem. These men and women, if they are not job-ready, if they are not trained, may go into a job, may find a home, but it will not be a permanent one.

And what we want to see are permanent solutions for these needs. We want to see something going above and beyond looking into the lives of these individuals, not just as a statistic of 25 million American veterans. I think we hear that on a daily basis. There's 275,000 homeless veterans; yes, but each veteran is an individual with a story, with a different past. The veterans in Louisville, Kentucky, are not the same as the veterans in New York City. That's why we created a decentralized VA system, isn't it? Because we saw the specific needs of veterans, not that they were in a generalized population.

And what I want to see happen for these veterans, especially those with severe barriers towards employment, is more cus-

tomized care. These veterans deserve it. When they walk in to a job training facility or somewhere to find a job, they have barriers with PTSD; they've been shunned away because of HIV positive, being Hep C positive. They need to be able to jump over these barriers, and these community-based organizations provide that for them every day.

They also have ways to help these formerly homeless veterans once they're in a job, once they're in a situation that should be permanent. If there is any trouble, the community-based providers are there able to talk through with this veteran about their specific problems within their permanent job situation. They are able to help almost coach, if you will, like a team does. And that's what our veterans deserve. They deserve that priority.

And within the system, I understand that a demonstration program has been brought forth. Well, I'm a young person and I understand how change needs to happen in a system. Like all of us, evolution is what's going to take us into the 21st centuries. We have seen programs that work, programs that don't work; we've seen programs that are partially working. Well, if they're partially working, then something needs to change.

So I propose that the demonstrations are a key to that. Why not try something different? What is so wrong with changing something for our veterans, by creating a new situation for them to be taken care of?

And also performance. As I am speaking right now today, I am being rated on my performance as Miss America. Every day there is a report written on me, sent back to the office to see how good of a job I am doing as Miss America for our American veterans.

So I propose that performance evaluations are part of the job. You know, that's the difference between a private having KP duty for doing something wrong and a private years down the road becoming a general.

Isn't that what we want to see? We want to see incentives for these programs to work. If we can't do that, how can we promise our veterans the best possible care? They deserve that. They have fought for it. Many have died for that. My father came home a different man from Vietnam because he fought for his country. It took him 30 years to finally come full circle to where he can talk to me about his issue.

That's why today I ask to be heard as every veteran's daughter. Those men and women have families. They have children that need to be taken care of. And if their individual, inward-barrier needs are not met first, we can not expect them to have permanent solutions to their permanent problems.

So I ask that you take under wise decisions and think about the American people who are looking to you to talk the talk and walk the walk. As I have seen this year, many of our veterans have expressed to me the displeasure in the patronizing speeches every day that they hear, especially on Veterans Day.

Why do we patronize them one day, and leave them waiting the next? These men and women deserve to be a priority in this country. At least we can give them that much. At least we can say, well done for the job that they have done, because our promise of never leaving our wounded behind never expired, and I believe that today

you have that choice, to give them another opportunity to live up to that promise.

[The prepared statement of Ms. French appears on p. 159.]

Mr. QUINN. Thank you, Heather. Thank you very much. We appreciate that.

Mr. Principi, we're going to give you your 5 minutes of testimony here. We've received everything that you've given us as part of the record.

Mr. Principi.

STATEMENT OF ANTHONY J. PRINCIPI

Mr. PRINCIPI. I'll be very brief, Mr. Chairman. I know you have a vote coming up. Mr. Chairman, Ranking Member Filner, it's certainly a privilege to appear before you and indeed a special privilege to sit next to a very inspiring and articulate leader of men and women, young men and women, sons and daughters who have served our Nation in uniform.

And I also want to recognize someone who has played an important part in my life, a revered American who served with me on the Commission on Servicemembers and Veterans Transition Assistance, an individual who chaired our health care advisory group, who championed a bill named after him, the first permanent GI bill, a truly great American, Mr. Chairman Sonny Montgomery.

Mr. Quinn, Mr. Filner, I applaud your undaunted leadership on this important legislation. It's nothing short of visionary. You have designed a new nationwide delivery system that I believe will unleash both the world wide and world class service that is so needed for our servicemembers and veterans around the country.

It is a bill that looks to the future, not the past; a bill that recognizes the profound changes that have occurred in our Nation, in our military and our society, and certainly the young Americans who make the transition from one to the other. And it's certainly a bill that recognizes the extraordinary dedication of our Department of Labor employees and gives them the tools to succeed in their mission of service.

I suspect some have suggested that your vision is flawed, just as perhaps some had questioned Chairman Montgomery in 1980 when he proposed a permanent peacetime GI bill, indeed a new paradigm that departed dramatically from the past.

Mr. Montgomery, Mr. Stump, Mr. Evans and many of you worked on that peacetime GI bill for over 7 years, and now it's been only 17 months since Senator Dole and I testified before you that the subcommittee's wisdom and foresight has already emerged because you anticipate the challenges for the decades ahead when our Nation may not experience the robust economy, the golden economy; because you anticipate that America's sons and daughters and our all-volunteer force may be asked to defend us, perhaps on American soil, due to international terrorism; and because you anticipate that those who have been put in harm's way will simply ask their neighbors who staff the job service and One-Stop offices in their home towns for just a modest hands up in finding long-term careers that befit their roles as leaders and of future opinion-shapers.

Fortunately, for tomorrow's veterans, this subcommittee also recognizes that the Wagner-Peyser Act had its genesis in the Great Depression, and the veterans employment service in the Great War. Very worthwhile programs, but designed for a different era, economy, worker, and a different veteran.

Mr. Chairman, the Commission visited firsthand with the DVOPs and the LVERs in Baltimore, Denver, Charleston and Norfolk. For many of these individuals, helping veterans is simply their life's work. It's more than a job. Your bill rewards them for the first time through performance incentives, as Ms. French has testified to. Every DVOP, every LVER and every State job service will have an equal opportunity to excel, and they'll get greater credit for placing veterans with employment barriers in jobs, another first in our country and for veterans.

This subcommittee recognizes that one size simply does not fit all. Our system of State employment agencies is not a perfect system, but it is a darned good system and it's best position to make service delivery decisions. Rather than simply paving the cow path, the subcommittee has blazed a new trail by allowing up to ten States to compete, services and areas that may be uniquely hard to serve. These programs—these pilot programs—will stand on their own merits, just as this very subcommittee initiated the Montgomery GI Bill as a pilot program, a 3-year pilot program.

In closing, Mr. Chairman, I suggest the subcommittee's bill represents a wellspring of growth and change. It's a bill that will allow State and local labor exchange managers to coach their teams in a way that unleashes innovation and energy in service delivery, rather than suppressing energy by outdated process-oriented rules.

Thank you very much, Mr. Chairman, Mr. Filner.

[The prepared statement of Mr. Principi appears on p. 164.]

Mr. QUINN. Thank you, Mr. Principi, and thank you, Ms. French, for your comments here today. We have your statements, of course, in full. I would announce to everyone who is here that we are expected now in about 4 minutes to be over for a series of three votes, so we will be in recess for about 30 minutes and we'll have panel four when we return.

Thank you.

[Recess.]

Mr. QUINN. We'll gavel ourselves back to order here and get to work on our fourth panel of six this afternoon. We should have about an hour, ladies and gentlemen, so I think we can conduct our work in a little bit less than an hour. The room is going to be used about 1 o'clock or 1:15, so we'll appreciate your cooperation.

Mr. Borrego from the Department of Labor, our veterans expert over there, is back with us testifying, and we're going to yield to you, sir. You have 5 minutes, if you need it, and you already know that we've got your full testimony.

STATEMENT OF ESPIRIDION BORREGO, ASSISTANT SECRETARY, VETERANS' EMPLOYMENT AND TRAINING, U.S. DEPARTMENT OF LABOR

Mr. BORREGO. Thank you. Thank you, Mr. Chairman, and members of the subcommittee for the opportunity to comment on the Employment and Training issues contained in H.R. 4765. I can as-

sure you that we at the Department of Labor share your desire to update and modernize employment and training programs for veterans. My written statement contains detailed descriptions of the activities we have undertaken over the past 2 years to make sure that 21st century veterans get 21st century services.

The Workforce Investment Act, a bipartisan effort that would benefit all working Americans, has given us a powerful tool to guide us in refining our programs and improving our performance measures to ensure maximum employment opportunities for veterans.

By being part of the Labor Department team, VETS has been a full partner in the planning and implementation of WIA. One-Stop Centers that consolidate employment, training and many other services under one roof; America's Career Kit to navigate the many avenues of the labor market; local workforce investment boards to incorporate community issues into the employment and training decision-making process. These are significant improvements that veterans will benefit from the enhanced employment and training services that will result because of these and other components of WIA.

Regarding priority of service, the Department believes that veterans should receive their fair share. We're already addressing the issue of performance accountability and improvement measurement, using Unemployment Insurance wage records to measure entered employments rates in several States shows that the traditional 9002 report vastly understates the employment service success in helping veterans find employment. In Maryland, after two quarters, more than two out of three veterans looking for work had jobs; after six quarters, more than three out of four were working.

We are working with the Employment and Training Administration to create a reporting system that can accurately demonstrate to Congress how well we are really doing. The employment requirements of most working Americans are undergoing dramatic changes as a result of the global economy and new technologies, so we agree that the duties of DVOPS and LVERs need to be brought into the 21st century, taking into account the electronic age in which they work. But we can not agree to the wholesale repeal of their current statutory duties.

We also believe that the existing formula allocating staffing grants based on the number of veterans residing in a State is time-tested and fair. It ensures that veterans receive an appropriate level of service. That's not to say that we oppose some level of innovation. I'm a firm believer in using pilot or demonstration projects to test out new and innovative approaches, but I do believe that 5 to 10 percent of total funding to support ten demonstration projects simultaneously will jeopardize critical services provided to veterans.

Similarly, I can not support the creation of yet another committee or commission which uses critically needed program funds to support a nationwide advertising campaign. In fact, we believe employers do understand that our veterans make valuable employees. In fact, more companies are now coming to us to develop working partnerships.

Rather than an extensive commission, we need to target our promotional activities to match the employment needs of specific businesses to the skills of available veterans. The Department is working with the States, the business community and labor to reform the Unemployment Insurance employment services programs. This could result in full funding for the DVOP/LVER program. The funding authorization language in the bill creates a ceiling on funding that would not allow that full funding to happen.

We at the Department of Labor are anxious to work with this committee and others in Congress to make sure our veterans receive the finest programs and services this Nation can deliver. We have made great strides over the past 2 years and are moving ahead on numerous critical fronts, including certification and licensing, strategic planning, Internet-based technologies such as this CD-ROM which we've just had printed that we're going to use in our transition program. We want to put an expert system under this and bring it into our web so that we can place those information and resources at the fingertips of veterans. We've also expanded funding for homeless veterans programs.

I fear that H.R. 4765, as currently written, will do more to divert us from these important initiatives than it will improve the lives of America's working veterans.

Thank you, and I'll be glad to answer any questions you may have.

[The prepared statement of Mr. Borrego appears on p. 175.]

Mr. QUINN. Thank you, Mr. Borrego. Let me begin by thanking you for your assistance on an entirely different matter. Recently we had an opportunity to meet for the conference on licensing and certification, and your participation, your office and staff, were very, very helpful. While I will officially do that in the letter, I had a chance to do it in person. So thanks for doing that.

Mr. BORREGO. Thank you very much..

Mr. QUINN. You heard some of the testimony as well as some of the questions earlier today, and we'll have some more obviously this afternoon. But I just want to assure you that I concur with your observation as it relates to pilot and demonstration programs.

I think that Miss America, Heather French, stated it well when she said if we're going to move into the 21st century, the status quo is sometimes our worst enemy, especially if we know things aren't working the way they should be working.

So while it's difficult sometimes to institute change—a pilot, a practice, a demonstration, a model—it's not a bad way to go. Assuming that we continue the discussion after what we hear today at the hearing and into the next couple of weeks, I'm convinced that we can make some of the changes Mr. Filner talked about this morning as well.

So thanks for your testimony and we will certainly take that under advisement.

Bob.

Mr. FILNER. I yield to Mr. Reyes.

Mr. QUINN. Mr. Reyes.

Mr. FILNER. Thank you, Mr. Chairman. I wanted to welcome Mr. Borrego because he, too, has been very helpful in my district. In

fact, every recess during August we have a veterans town hall meeting where we draw in the vicinity of 450 to 500 veterans.

Mr. BORREGO. You might—

Mr. REYES. Well, you're welcome. And, Mr. Chairman, you're welcome as well.

But I just wanted to thank Mr. Borrego because, you know, I can't help but sit here and think as we listen to Heather testify about accountability, Mr. Borrego is one of those that is accountable. He has been accountable to our veterans at the town hall meetings, as well as throughout the year.

I also want to tell him that we appreciate the partnership where he recognizes businesses that actually go out, train and employ veterans. And we've had an opportunity to recognize a number of our businesses in the El Paso area that Mr. Borrego has been kind enough to identify and to provide that kind of recognition, which helps us recruit more businesses that will prioritize our veterans.

I just have one question, and perhaps—I came in late, so if you answered I want to apologize in advance. We've got two hearings going on at the same time.

What are your concerns in terms of—your specific concerns in terms of the bill as they relate to the DVOPS and LVERs in terms of what are the issues that you perceive that might make that counter-productive?

Mr. BORREGO. And first of all, I want to say that I recommend going to a town hall for any of us, as Mr. Filner was saying, that work in the bureaucracy and are bureaucrats. To hear it directly from veterans unvarnished—and they're very vocal and very sincere, and it's a check on the system so I appreciate the invitation. I'm willing to go any place at any time. So thank you.

Regarding my concerns—and I think there are a lot of good things in the bill and we're very close. In hearings with a short time, we only focus on the problems. So there are a lot of good things.

My concern is that we found that the DVOP and LVER is a very good program. We did not do a good job in measuring, so we've under-reported the success. When I hear pilots and demonstrations, I totally support those, but I would like to see them in our homeless veterans reintegration program; I would like to see them in our JDPA 4(c), now the Veterans Workforce Investment Program. That's where it's appropriate.

The DVOP and LVER program has a different purpose. It's for—and I hear the term “veterans are job-ready.” It means they're ready to go to work; it does not mean they know how to look for work. It's still very competitive.

The people that work there are veterans, by statute, disabled veterans by preference. What I see in the demonstration is that it can put a lot of these disabled veterans on the street to be replaced by non-veterans.

And yet I have a sense that—and part of it came, I think, out of our inability to give you good measurements and in some of the legislation that requires us to report on measures that are no longer any good that were picked up—that the system is broken. It's not broken. We can make it better and we can bring it into the

modern era, the electronic age. We're doing that with the Internet and CD-ROMs.

But if we put the demonstration projects in HVRP, in the training programs, and we compete those—those are competed. We are, in the next week, going to be putting out our 4(c) programs. There you get the competition that you're looking for; you get the community-based organizations that you're looking for. We had in the last year 1.8 million veterans register in our unemployment services. That's one out of seven veterans in the civilian labor force. There's 14 million.

Of those, when we've look at Maryland—of those that were looking for work, less than a third were there because they were receiving unemployment insurance; two-thirds were there not because they were required to be there by the UI insurance, because they found something of value there.

So I don't want to tear apart a system that's working. Refine it? Absolutely. Bring it up into the modern era? Absolutely. But let's make that one better and put the flexibility in the HVRP and 4(c) programs where it is and where we compete.

Mr. REYES. Okay, thank you, Mr. Chairman.

Mr. QUINN. Just before we go to the next panel, Al, whenever you say something in response to a question or a discussion that a veteran will be replaced on a job by a non-veteran, how is that going to happen exactly?

Mr. BORREGO. Two things, and I see the two pieces. And as I was reading it again, one of them is, I noticed for the federal staff, it's made the requirement that the federal staff be veterans and it's removed that and put in "when practicable."

Given hiring laws and the fact that only 5 percent of veterans are women, I think we're going to run into EEOC problems if it's not in statute, even though clearly in the military we now have 20 percent of the military are women. And we have lots of women veterans working for us, but there's a lot of tension because the veterans are still—

Mr. QUINN. Excuse me. How would that put a veteran out of work?

Mr. BORREGO. Now, as we move into the DVOP and LVER program, that if we take—because when the demonstration project, it takes existing funding. It takes existing funding and removes it and sets it to the side to be competed for demonstration projects. Those were people that were working; so when we remove that funding, those people that were funded by that are not longer funded by that, and so they have to leave.

Mr. QUINN. So it's a funding question, really, more than it is a personnel question? We're not telling you who to hire and who to fire?

Mr. BORREGO. No. But if you take it out of the existing base, those people have to be replaced when you take that funding out.

Mr. QUINN. I need some more work with that. At this instant I don't agree with you, but let's talk about it later.

Mr. BORREGO. Okay.

Mr. QUINN. Thank you, Mr. Reyes. Your time, I think. Thanks. Thanks very much.

Mr. BORREGO. Thank you.

Mr. QUINN. We're going to call our fourth—excuse me. Did you want to say something, Bob?

Mr. FILNER. I just am trying to understand your interpretation of the bill. In these demonstration projects, the funding is there to do the job. And for a proposal, if the DVOPS and LVERs are doing their job, why wouldn't they continue to do the job?

Mr. BORREGO. If you are the manager of that employment service and you are competing that money, we have lost about 25 percent of the funding due to inflation. We've lost one out of five DVOPS and LVERs over the last 6 or 7 years, so we had a tremendous loss due to inflation.

If you don't know if you're going to win the competition, then it's very foolhardy to keep people on board if you don't have a funding source for them, so they become in essence like independent contractors: they get hired if you win; if you don't win, they have to be let go. And the new entity that's bringing them on, as I read the bill, is not required to hire veterans, just to show how many are being replaced.

So, in effect, what you're doing is you're taking disabled veterans, putting them on the street, and replacing them with non-veterans. That will be the practical effect.

Mr. FILNER. I think we don't understand that interpretation, but I think at the next hearing or markup we better answer that very specifically.

Mr. QUINN. Thank you, Bob. I was going to ask you to yield, too. I mean, I don't think there is anybody seated here right now—of course, there's only three members—that would want to put a veteran out of work, Al. I'll speak for myself that I wouldn't want to. And if we've got a problem with interpretation, a problem here, we'll clear that up.

Mr. BORREGO. Okay.

Mr. QUINN. Because certainly we don't want that misunderstanding out there. If it needs to be explained better, if we need to have some meetings—I'm not even sure, Bob, it needs another markup or a hearing, but maybe we just need some discussion.

Exactly, I'm with you on that. Sure.

Mr. BORREGO. And I'm willing to be here for that.

Mr. QUINN. Panel number five is Mr. Alan Gibson, a Disabled Veteran Outreach specialist from the State of Missouri; Mr. Jim Hartman, Director of Veterans' Employment and Training Services in the State of New York, the Empire State; and Dr. Carol A. Cowan, the president of Middlesex Community College. We ask you all to join us, please.

Our schedule of events is as I listed: Mr. Gibson, Mr. Hartman and Dr. Cowan, President Cowan. As you have heard, because you've been with us here all morning, we're going to ask you to try to keep your comments to about 5 minutes or so and we'll receive your written testimony in full.

If it's okay, Mr. Gibson, we'll begin with you.

STATEMENTS OF ALAN GIBSON, DISABLED VETERAN OUT-REACH SPECIALIST, STATE OF MISSOURI; JAMES H. HARTMAN, DIRECTOR, VETERANS' EMPLOYMENT AND TRAINING SERVICES, STATE OF NEW YORK; AND CAROLE A. COWAN, ED.D., PRESIDENT, MIDDLESEX COMMUNITY COLLEGE

STATEMENT OF ALAN GIBSON

Mr. GIBSON. Thank you, Mr. Chairman. I appreciate the opportunity being invited here. As you all know, I spent about 11 years as a DVOP. At the present time, I'm on long-term disability. The chances of going back to full time, they say, are between slim and none.

But I'm very interested in the bill 4765. I still talk to my fellow DVOPS and LVERs. It's been beyond our belief that we've had the authority and the responsibility but, in all essence, there really has not been any accountability.

I think back to when I was in high school and college. You know, we did what we had to do. It's only kind of human nature to do what's required of us. I needed to have C's and B's in order get through high school. If I wanted to stay in college and maybe go on for a Master's, I had to get B's and A's. Well, I got B's and A's. And you would think that once you were in high school a C student would not be a B student in college. It just doesn't equate. You're supposed to go to a higher level. Well, you do what's required.

And I think that as the system is set up right now, it's more based on procedure rather than responsibility. Having a teaching certificate in social studies, a little bit of history comes to mind. It reminds me very much of our Revolutionary War. The British used a particular type of system. You had one, two, three; you lined up; you did everything by the number. Well, we as revolutionaries wanted results so we'd hit and run and we see who won.

So it's the same type of process. Systems are great if they work, if they're given an opportunity to work. But you have to have that responsibility.

Also, there is nothing that, as a DVOP, is any better than a system of rewards and sanctions. Most of the DVOPS that I know spent at least 20 years of service; if not discharged because of service-connected disability, they would have spent 20 years. And we knew that you give a pat on the back and they're good soldiers worth a hundred thousand miles. It doesn't take much.

And our managers—we've sent our managers and DVOPS, LVERS, out to NVTI, National Veterans Training Institute, and then send them back. Having spent some time with stocks, bonds and mutual funds, also, we're not getting a very good bang for our buck. Our return on investment is very poor because when you get back, they want marks on the wall.

If I take a veteran that's not ready to go to work, but during that first 30-day period that I'm working with him I get him five or six part-time jobs, a day laborer or something like this, at the end of the month it shows up as five hires. Hogwash. It's the same thing. It's only one hire; he just had five jobs.

And so the accountability and the structure is just not really there. You can prove or disprove anything with a set of numbers,

and it depends on how you utilize them. And I think that's what we need.

Reading the description of what I was supposed to do as a DVOP, I'd have to be about six or seven different people all wrapped up into one. It was physically and mentally impossible for me to do everything. Tried the best I can. I did not have a bit of trouble going to sleep at night because I thought I did a bad job. As we used to say in the military, I didn't want to back up to the pay line. I got mine right up front there.

So these are a part of the reason why I think that this bill is very necessary. It gives more responsibility and accountability to the DVOPS as well and to the State veterans program specialists. Each State runs differently, and he has more of a say-so. If the governor knows that he's going to be hit in the pocket book, phew, it makes a big difference. You don't have to be very smart, but you have to be able to count money.

Mr. QUINN. They'll pay attention to that. That's for sure.

Mr. GIBSON. Thank you.

Mr. QUINN. Thank you, Mr. Gibson. We appreciate that very much.

[The prepared statement of Mr. Gibson appears on p. 181.]

Mr. QUINN. Mr. Hartman. I also want to take an opportunity, Mr. Hartman, as I did with Mr. Borrego, to thank you for some input you had on the bill and other matters up in our end of New York State, and not only the full State and the country, but our end of Western New York. I appreciate you being at the office.

STATEMENT OF JAMES H. HARTMAN

Mr. HARTMAN. I really appreciate that opportunity, and my brother says hello, Mr. Chairman. Thank you.

Thank you, Mr. Chairman and distinguished members. I think we have come a long way, Mr. Chairman, since October 28 of last year when we first sat down and talked about some proposals, and I want to publicly thank Darryl and Todd for their leadership in the work group that they put together that you asked for. I think we made some significant strides, and there is many portions of this bill that I support strongly.

There are three areas I'd like to discuss today that I think the bill needs a little tweaking on, and the first part is our review of the bill indicates that your committee has decided that major changes to Title 38 were needed with regard to the creation and maintenance of veterans federal field staff and veterans funded staff, LVER and DVOP.

As you know, Title 38 has used a funding formula ever since these positions were created. the Assistant Secretary for Veterans' Employment and Training Services must use this formula in assigning federal and these grant staff to States.

It has been my understanding through the years that your predecessors in Congress decided to use these formulas in order to: (1) have a national employment and delivery system for veterans based on their incidence in a given state's population; (2) ensure continuity in the delivery of these services regardless of changes in federal or State administration, and; (3) maintain a Federal-State partnership that was based on workload, as determined by the

number of veterans seeking services in each State and being served at the local delivery points.

H.R. 4765 removes these formulas and replaces them with an overall as-fit budget allocation which, in turn, gives latitude to any new administration with regards to the funding and assignment of personnel. I believe this is flawed for the following reasons.

Without a funding formula established by Congress, funding of staff positions in the States could very well be subject to change without any notice to veterans and would not provide continuity of services.

Secondly, the bill would jeopardize the concept on which the national employment training delivery system for veterans is based, and that is veterans benefits are a national issue, not a State issue.

As an example, Mr. Chairman, with the passage of Section 168 of the Workforce Investment Act, states most recently had an opportunity to apply for employment and training money specifically targeted to veterans. If successful on their applications, States would receive approximately \$850,000 the first year, with guaranteed similar funding the second year if they met the standard.

Mr. Chairman, New York State simply chose not to apply for this money. They said veterans do not need targeted money. I truly believe this, Mr. Chairman: as you look through this bill—I ask you and your colleagues to keep this in mind—we can not allow veterans benefits and veterans services to become a States rights issue. Our veterans, ever since the Civil War, fought for our country, not for our State.

And in this particular example, New York State was given States rights in terms of this program and they chose not to apply, so in New York these veterans get the proverbial goose egg. And I believe that is wrong.

My second issue is your recommended change to Title 38 that would eliminate the requirement that veterans supervisory field staff no longer have to have veteran status. Mr. Borrego addressed that.

I believe that also needs to be put into law that they must be veterans, and let me tell you why. When I first took over as director in New York State in 1987, 65 percent of all the local veterans employment representatives were non-veterans because the State never took affirmative action to hire veterans. There's too many competing interests there. Non-veterans.

And how we corrected that nationally—thanks to several that were in the room this morning and a few that are still here—Congress passed a law mandating it to be veterans, or that still might be the same ratio. There's too much competition out there.

So this bill remains silent on that issue. I think it has to be clarified.

And lastly, Mr. Chairman, my third and final issue, Mr. Chairman, is the elimination of all the job duties of LVER and DVOP grant staff, specifically the provision that these staff no longer have to work solely with veterans. Again, the bill is silent on that.

Now, to me it's a numbers issue. In New York State, for example, they average around almost close to a million total applications a year in the job services, give a few depending on the economy. Veterans usually end up about 13 percent of that. Well, currently we

have 150 staff members—and that means vet staff—and they handle about 600 per. But that's only if they come back once. Many of these veterans come back many times.

So if they're also allowed to work with non-veterans, I don't believe the intent of what we're trying to do here will be upheld.

Thank you very much for this opportunity, Mr. Chairman.

Mr. QUINN. So you think, just before we leave, rather than stay silent on some this, it needs to be said?

Mr. HARTMAN. Yes, sir.

[The prepared statement of Mr. Hartman appears on p. 185.]

Mr. QUINN. Dr. Cowan, you have the floor.

STATEMENT OF CAROLE A. COWAN

Ms. COWAN. Thank you so much, and good afternoon, Mr. Chairman, honored members of the committee. It's a privilege to be here today to share with you some of our experiences as a community college operating one of the Commonwealth of Massachusetts One-Stop Career Centers in partnership with the State veterans offices.

In recent months, two of my colleagues have testified before this subcommittee regarding the commitment of the community college to veterans. As a matter of fact, our college was founded on the grounds of the Edith North Rogers Veterans Hospital in Bedford, MA. We have two campuses—one in Bedford and one in Lowell, MA, home of the former late Senator Paul Tsongas.

We have been working very closely as a career center, a One-Stop Career Center, with our veterans and are proud to say that through a collaborative partnership with the State veterans office that we have placed just this past year alone close to 300 veterans in jobs averaging about \$16 an hour and, for the second year in a row, our placement rate for veterans has exceeded 47 percent.

I'm a strong supporter of the One-Stop Center career model and I believe that with the extended services of the many individuals that come into the career place and the 800 employers that we work with, that many of the veterans that visit our offices can have the benefit of those other wraparound services.

I believe that we have a unique opportunity now with One-Stop Centers opening across the country and with the new Workforce Investment Act to see how we can leverage the investments that we're making in career placement and services.

Let me take just a moment to speak to the draft of the legislation before us. First, as we address barrier one, we feel priority for veterans and their spouses in these federally funded training programs as a number one priority. As far as barrier two is concerned, we believe you have to insist upon accountability. Without measuring success and in determining how we achieve it, we'll never replicate it or improve upon it. Accountability ensures that veterans have access to the best services available and that, through that access, they can capture their fair share of job opportunities in this wonderful economy.

Under this provision, the Secretary of Labor has been authorized to establish and implement a comprehensive performance accountability system. I believe all of us who serve veterans should be held accountable for our performance. We at the college and at the One-

Stop Center operate on a performance-based model. The dollars we earn are tied directly to the achievement of our goals.

To ensure success, we work very closely with our State veterans program to constantly strive to meet those goals and also exceed those goals. As a result, our veterans representative is one of the most successful in the State because he's an integral part of the whole operation of the One-Stop Career Center. His efforts are linked with all the activities and staff providing an additional 30 professionals who work at the center, enabling the veterans he serves to have full access to all the workshops, all the job listings, all the job fairs, and all the on-site employer visits.

One of the options suggested under barrier two is to seek alternative providers of services through a competitive bid process. Some organizations and States are opposed to this provision because it introduces competition. We believe the partnership model that we have in place between the State veterans program and the One-Stop Center is the best model. We found it to work for us.

However, we feel it incumbent upon us that if performance drops before the acceptable benchmarks that we should look for other creative solutions. And we feel that we have to ensure that veterans are not penalized for the poor performance of local providers. For that reason, I think the concept of a limited demonstration model is worth exploring.

I also support the idea of creating a panel to advise the Secretary of Labor around the demonstration program. I would recommend, however, that the membership of the panel be expanded to include representatives from the One-Stop Centers, the Workforce Investment boards, employers and other workforce programs.

The barriers and challenges that are before us—we also must take a hard look at barrier four, the potential offered by technology. At career centers we are already deeply immersed in America's Job Bank and America's Talent Bank; in addition, we've adopted a new database management system that links the career centers in Massachusetts so that veterans and other job-seekers have access to thousands of jobs and training opportunities statewide.

As far as barrier five is concerned, we feel the need for solid data on the economic benefits of veterans program is necessary. We support this provision because we believe the data will confirm what everybody knows: our economy gains dramatically when veterans share in its growth.

As I mentioned earlier at the career place, hundreds of veterans are being placed in good-paying jobs that return thousands of dollars to our local economy. I think the study proposed under barrier five will demonstrate that the dollars spent on veterans program yield a dramatic return on their investment.

In closing, let me express our support for this new legislation and for the subcommittee's efforts to improve service for veterans. We are proud of our involvement with America's veterans and we are confident that our partnership in Massachusetts will continue.

[The prepared statement of Ms. Cowan appears on p. 188.]

Mr. QUINN. Thank you, madame president. Thank you, all members of the panel.

In looking over the notes, Dr. Cowan—I'm a former teacher. Eighth grade English, though.

Ms. COWAN. Did you? I was a high school business teacher years ago. So we've been through the wars.

Mr. QUINN. So there's a chance for me yet; is that what you're saying? There's hope for me yet.

Ms. COWAN. That's true.

Mr. QUINN. Seven thousand students, you mentioned.

Ms. COWAN. Credit students, right.

Mr. QUINN. The whole notion of partnership I think is exciting, and what works in Massachusetts, as you point out, may or may not work elsewhere.

Ms. COWAN. Right.

Mr. QUINN. We need to tie things up, as Mr. Hartman points out, so that we're not silent on some things, and we've got one of the experts here in Mr. Gibson right at the table. So whatever kind of review panel as you suggest when we expand that membership to act as advisors, also think we need to have some folks like Mr. Gibson and others who are in the trenches, so to speak.

Ms. COWAN. Absolutely.

Mr. QUINN. Thank you. I don't have any further questions, only to say thank you for your information. But I want to ask Mr. Filner if he has anything.

Mr. FILNER. A lot of what you're saying we have read and we're taking notes on, and as this process goes we are going to incorporate your changes into the new version. So we thank you.

Ms. COWAN. Great. Thank you.

Mr. QUINN. Mr. Reyes?

Mr. REYES. Nothing.

Mr. QUINN. Thank you very much. We'll move to our last and final panel. On panel number six we'll hear from Mr. Stephen Horton, the Manager, Employment Security Program Services in the Alabama Department of Industrial Relations; Mr. Mike Sheridan, the former executive director of the Texas Workforce Commission; and Mr. Donald Shasteen, the former Assistant Secretary of Labor for Veterans' Employment and Training Services.

And, Don, we're particularly pleased to have you join us here in this capacity, having served your government and your country before. Thanks for being with us.

Mr. SHASTEEN. It's an honor, sir. Thank you.

Mr. QUINN. Thank you. Our order is to hear from Mr. Horton, then Mr. Sheridan, and finally Mr. Shasteen. You know the drill. You've been here all morning and, in spite of a couple delays by us, we'd like to see if you could limit your oral statement to about 5 minutes or so and we'll save any questions until the full panel has had their say.

Mr. Horton.

STATEMENTS OF STEPHEN A. HORTON, MANAGER, EMPLOYMENT SECURITY PROGRAM SERVICES, ALABAMA DEPARTMENT OF INDUSTRIAL RELATIONS; MIKE SHERIDAN, FORMER EXECUTIVE DIRECTOR, TEXAS WORKFORCE COMMISSION; AND DONALD E. SHASTEEN, FORMER ASSISTANT SECRETARY OF LABOR FOR VETERANS' EMPLOYMENT AND TRAINING SERVICE

STATEMENT OF STEPHEN A. HORTON

Mr. HORTON. Good afternoon, Mr. Chairman and members of the committee. It's an honor to appear before you today to offer my testimony on the 21st Century Veterans Employment and Training Act. I do represent the Alabama State Employment Service, which is the Wagner-Peyser grantee and the provider of veterans' services under the current Title 38, Chapters 41 and 42. I am a special disabled Vietnam veteran. I have three Purple Hearts from wounds received in action. I have a very deep regard and respect for those individuals we are charged to serve.

This proposed legislation appears to be a major step forward in providing the States more flexibility in delivering services to veterans. The current law does not mesh well with the Workforce Investment Act and the system of One-Stop Career Centers required under the Act.

The partnerships mandated by WIA, including the veterans employment programs, require resource-sharing while maintaining eligibility for individual programs. I firmly believe that the States can continue to provide veterans priority for services while enabling staff to better perform their jobs in assisting veterans and other eligible persons in their search for employment and training.

A means by which veterans' priority for the Federal Contractor Job Listing program is provided through electronic technology is much needed. We support the employer's ability to self-file job orders but also recognize the need for some method by which veterans priority may be established for these jobs and the States may receive credit for placing veterans in these jobs.

The complaint process concerning FCJL and other employment and training programs is somewhat unclear in that there does not appear to be any reference to a complainant first being directed to the program's complaint process. We feel very strongly that the vast majority of complaints can be settled at the local level, and we would like that to be clearer.

The requirement for ten additional federal monitors is a troubling issue. Each State has a DVET and most have ADVETS, which are assigned to each State based on veterans population. Title 38 is perhaps the most closely monitored federally funded program in existence. The State is required to provide space, furniture, phones, utilities, et cetera—all at no cost to the Veterans' Employment and Training Services.

The idea of being monitored at every turn and then having to pay to house the monitor at your expense is somewhat onerous and should be reviewed. The possible addition of ten more is disturbing, to say the least.

Another issue is the legislation appears to remove recently separated veterans as a priority group, at least in Chapter 42. This seg-

ment of the veterans population has traditionally had the highest rate of unemployment.

A common definition between chapters of Title 38 and WIA for veterans is very important. Front-line personnel need to be able to quickly determine which applicant is eligible for what services. The data and reporting systems do not support several different definitions of veteran. We need less confusion, especially at the local service delivery points.

Performance standards and outcome measures have needed reform for quite some time. It is becoming more and more difficult to even find and provide services to Vietnam era veterans. We're getting older. As this population ages, their number in the civilian labor force will continue to decline. Our obligation to serve these veterans remains, but performance measures perhaps need review.

A weighted job placement system that gives more reward for assisting those veterans with significant barriers is welcome. It should be recognized that these individuals require a large amount of staff time, and this should be reflected in the standards. The economic and unemployment conditions of individual States are also very important factors. I hope that the States have input into the process.

The establishment of a panel of State employment service officials for the demonstration project is an excellent idea. The ability to have input into a system from those individuals that operate the program at the local level should give policy-makers more insight into what really goes on at the service delivery points. Certainly having LVERs or DVOPS on that panel would be an excellent idea.

Funding for the veterans program has been inadequate for a long time. The formula for funding DVOPS and LVERs has not been followed for years. The efforts the States must go through in developing a grant package, which we're currently involved in, when we know we will not receive that amount of funding is time-consuming, expensive and, to be frank, it's frustrating.

Serious consideration should also be given to changing this grant from a staffing grant to a program grant. It's unclear to me whether this is the intent of the legislation, but changing from a fiscal year to a program year, which would match other employment and training programs, would also be of great benefit. The restrictions placed on States with a staffing grant makes planning very difficult. The recapture of unspent funds at the end of each quarter by VETS encourages States to develop ways to front-end or end-load their programs, depending on their situation, in an attempt to evade the recapture process. A staffing grant would also limit the state's ability to purchase computers or to provide training for DVOPS and LVERs, so that is important.

I think an incentive grant is a great idea. As stated by Mr. Mike Olen of Texas, "No reward for success and no penalty for failure." I do not see how an incentive grant program will work with a staffing grant. I think it would be most helpful if we could look at changing over to a program grant, which would give more flexibility to the States.

I think a review of the DVOP and LVER duties and assignments is greatly needed. The current law is so specific that virtually no flexibility exists. The States are well prepared to ensure that staff

are performing their duties and that moneys are spent on those eligible for those services. We track individuals; we track total statistics. I think we're all aware of what each individual does.

I would like to thank the veterans' service organizations. They're committed in their efforts for serving veterans, and we would certainly help them in setting up any systems.

Thank you for this opportunity to address issues that are close to my state and me. Your efforts to improve this delivery system are commendable. I would also like to thank Todd Houchins and Darryl Kehrer for their gracious time in working with us on the ICESA Veterans Committee and helping us to work with veterans.

Thank you, sir.

[The prepared statement of Mr. Horton appears on p. 191.]

Mr. QUINN. Thank you, Mr. Horton. We are very aware of how Darryl and Todd make us look good.

I also want to mention before we go to Mr. Sheridan that Congressman Terry Everett, from your home town, is trying to be here to join you. He is at a meeting and detained but asked that a statement be included in the record, and also welcome Ms. Sylvia Williams, who is the director in Alabama. We appreciate your attendance and efforts here throughout.

[The statement of Congressman Everett appears on p. 129.]

Mr. QUINN. And then we move from Alabama to Texas to hear Mr. Sheridan, who is the former director down there. We appreciate you being here. You have the floor.

STATEMENT OF MIKE SHERIDAN

Mr. SHERIDAN. Thank you. Mr. Chairman, members of the committee, my name is Mike Sheridan, and I'm pleased and honored to be here today. I would be remiss if I didn't say how honored I am to be sitting before my distinguished friend and colleague from Texas, Congressman Reyes. It's good to see the Congressman again.

I am the owner and principal consultant of MSC Consulting out of Austin, Texas. This is a recent new career change. Prior to this, I was executive director of the Texas Workforce Commission and worked for over 32 years in public service helping veterans find jobs and get workforce training services. So I've had the distinct pleasure in working with many veterans' organizations and other groups.

We have a strong history and performance record of serving veterans who need jobs and training programs in Texas. We've done this throughout the past few years. I gave some statistics in my testimony I don't plan to go over, but we're not resting on our laurels. We have a long way to go still because the world and the economy is changing. The employment and training system is ever-evolving.

To keep pace with these rapidly changing situations, service programs must have flexibility, and this legislation does allow flexibility—which I applaud. Our veterans customers are now demanding 24-hour-a-day, 7-day service, particularly those veterans who are overseas. They want to come back home to Texas and get a job. They can't go see a career representative in England or wherever they are, or in Bosnia. They need to go online and do this, and we

need to be prepared to help them. And I think this bill paves the way for that.

Any rigid systems of the past will not help meet the demands of the people you're trying to help—our veterans customers—as we move into the 21st century. Again, this legislation does offer flexibility to the States in delivering services. It emphasizes creation of realistic measurements, for once, rewards performance, and expands service delivery from the traditional 8 to 5 o'clock office mode to new technology.

I would like to offer a few specific constructive comments. The need for creation of realistic measurements is critical. Staff will pay attention and reform those tasks for which they are measured. We need clear, concise measurements that remain constant. While not expressed by the bill, I hope that State agencies, the grant operators, will be included in any measurement establishment process.

Second, I welcome the establishment of an incentive program. This is a great idea. Financial incentives to reward performance is a sound concept. Fully supporting this endeavor, I feel it is important to point out, as my colleague has, that the present staffing grant system, which includes quarterly recapture and redistribution of State-allocated monies, if continued, will defeat any true incentive program that you plan with this legislation. I recommend again moving away from a staffing grant to a program grant.

The proposed legislation places a 20 percent limitation on administrative cost for the base grant. This is a critical point for State grant operators. If the definitions of administrative cost are structured similar to those in existing programs like under the Workforce Investment Act, I don't foresee any problems for States to stay under that limited cap ceiling.

However, if DOL Vets retains their current definition, which categorizes all cost other than salary and benefits administrative, States will simply not be able to operate a viable program. For example, the nationwide average of States DVOP-LVER grant administrative level for the period 1996 to 1998 was approximately 28 percent. And as we all know, costs are going down; they're going up.

So I believe this needs to be reviewed more closely, and I think the States need to be placed in a situation they can win and not lose on that.

I also agree, as my colleague expressed concern about, true partnership is paying your own way and paying your part of the partnership, and I think the States pay their way and I think that the federal partners should pay their own way when housing and taking care of the federal employees that are in the States with them.

The proposed legislation expands veterans priority to any qualified employment training programs. With a variety of workforce investment system training programs available today, each with their own respective client, this will surely lead to some confusion. Under the foundation of the Workforce Investment Act, State and local workforce boards are given the authority and responsibility to determine how services are to be delivered and training dollars spent in their local environment. Within WIA, Section 168 does provide a veterans-only training program. Unfortunately, the level

of funding for this program has been austere in comparison with other programs.

I suggest that you consider looking at additional funding of Section 168, and this might be the vehicle necessary to provide emphasis for veterans programs.

The proposed legislation also includes a representative of the veterans committee on councils, boards or advisory bodies. Much discussion is generated concerning board membership since the enactment of WIA. Many of these boards are too large and unwieldy now. Texas and other States have boards that have been grandfathered, and any change will require State and local workforce systems to reconstitute their board structures. Many States have already included representation from the appropriate State agency that has responsibility for veterans employment programs; they have solved this problem already.

The legislation establishes a complaint system that's separate from the one in WIA. I don't think this is necessary, and I think if we would look at the other WIA complaint system as it is, and perhaps maybe it needs some refinement. I think rather than having two competing complaint systems, use the one in a holistic system that we support.

It seems to have removed recently separated veterans as a priority group in the legislation. By my count, there are no less than five separate sections addressing what veterans or covered persons will receive priority. I just think that we need to take a good look at this area and be consistent in our definition and approach for the entire employment and training system for veterans.

Last, I would be remiss if I didn't point out that the funding for the veterans programs has been below the statutory formula. I know that you have encouraged more funding; I applaud that. We need more funding to do a better job.

I would like to conclude. I am happy to be here today. I plan in my new career to continue to do things to help build better workforce systems for our veterans customers, and I would be pleased to work with the committee. And I had the honor of working with your committee staff and they're great to work with.

Thank you.

[The prepared statement of Mr. Sheridan appears on p. 195.]

Mr. QUINN. Thank you, Mr. Sheridan. We appreciate your comments and your comments to the staff as well.

Mr. Shasteen, please, you have the floor.

STATEMENT OF DONALD E. SHASTEEN

Mr. SHASTEEN. Thank you, Mr. Chairman and members of the committee. I'm going to make this very brief. First of all, I agree with everything that Jim Hartman said here. I think he's right on target.

Secondly, I want to emphasize that to create positions or a formula that provides for positions and not provide the funding to fill those positions is basically dishonest. And I think that's been a problem almost from the beginning with this agency, and it's a problem today. Al Borrego addressed that problem.

I think you've done great work here in devising a means of getting at the correct numbers. How many veterans are there out

there who need these services, and what services do they need? And then the numbers on how many of those services are delivered and what kind of services are delivered to which veterans; that is, the various categories of veterans. Get the correct numbers; otherwise, we don't know what we're talking about.

Thirdly, I agree totally with what Heather French said. We're not talking here about people that it's easy to reach. I'm talking about—because I started the homeless veterans program back in the mid-80s—we're talking about veterans who are not going to be reached on computers, veterans who are not going to be reached by telephone, veterans who are not going to be reached by a home address. We've got to go out and find them.

And that's what the DVOPS and the LVERs are all about, and should be all about. And when the States start talking about changing those position descriptions, I want to be sure that that is done correctly, because when I came in as the deputy to Bill Plowden the States were doing just about whatever they wanted with the money that the feds were putting out there, and we had to pull the system together and make them accountable. They should be accountable, the same way that the VETS (Vietnam Employment and Training Service) people out in the field are accountable, the DVOPS and the LVERs.

I have cited three specific examples in my testimony of veterans who were pretty badly beaten up, two of them because they didn't find the system and the system didn't find them, and one of those gentlemen, Mr. George Davis, is with me today sitting in on this testimony. A third one, the system exists but it turned out to be a federal contracting officer's star chamber proceeding conducted by decree from afar without the presence of a judge, jury, witnesses, accusers or the defendant. This man is a veteran who is a federal contractor.

The three veterans are still alive. I'm not asking or suggesting this committee take any action in their cases. I cite them only as examples of the holes I believe need to be plugged.

And I have recommended—I've taken the plunge, hoping there's enough water and that it flows deep enough so that I can dive in and not hit my head on the bottom. I've taken the plunge of recommending to you—and maybe it can be one of these demonstration projects—the establishment of an ombudsman unit at the national level, or it could be at a regional level if you want to do it on a demonstration basis, an ombudsman unit where really top-notch super case managers, a small group of them, receive the information that they need to help the DVOPS and the LVERs carry out the purposes that they were established to carry out.

What I'm talking about is a unit that is not overburdened—buried, if you will—under paperwork, under trying to track things on a computer screen. I mean a unit of people who are available to access the DVOPS and LVERs and get them out there to reach and to find the veterans who need these services and deliver the services to them.

In conclusion, I would say, Mr. Chairman, that there is a spark that burns bright and deep in each of us. It's called the spirit of America. It was emblazoned by God in the souls of men and women who fought, sacrificed, and gave of their lives, loves and fortunes

to establish this republic and deliver to us this government with the motto, "In God we trust," and with gifts of freedom that can come from no other source.

If you think of the government as the national body and soul representing that original spark, you have to put a heart with it. And the heart of this program is the DVOPS and LVERs who seek out and gather in the wounded and see that they get the help they need. These front-line soldiers need connections to a command center that can deliver the tools, the weapons, the rapid and effective communications network enabling them to rescue, treat and save the wounded, just as our soldiers, sailors and airmen do and always have done in combat.

The ombudsman-type unit that I recommend at the national level must be free of the constraints and burdens of pushing mountains of paper, developing and analyzing budgets, coordinating with OMB, the White House and the Congress on who is responsible for handling which piece or part of every movement in this giant machine; just deliver what's needed to the veterans who need it. This isn't welfare, it isn't charity, it isn't a handout; it's an irrevocable entitlement, it's the ongoing price of freedom, it's the living spirit of America.

Thank you, Mr. Chairman and members of the committee.

[The prepared statement Mr. Shasteen appears on p. 204.]

Mr. QUINN. Thank you, Mr. Shasteen. Excellent comments at the end.

We appreciate everything that we've heard here today a great deal. The balancing act, of course, for us—and that's what we're paid the big bucks to do—is to make certain that we allow for some of the responsibility and accountability you have all talked about and, at the same time, allow flexibility to get it done, whether it's with the States or whether it's with the DVOPS, LVERs, all up and down the system, I suppose. But we have taken note of everything that was said here today.

Mr. Filner, any final questions?

Mr. FILNER. Nothing, thank you.

Mr. QUINN. Mr. Reyes?

Mr. REYES. I don't have any questions.

Mr. QUINN. All right, thank you very much. We do want to mention that we're going to begin again tomorrow at 9 a.m. here in the hearing room to finish up, I think, three panels then.

For today, we are adjourned. Thank you.

[Whereupon, at 1:15 p.m., the subcommittee was adjourned.]

H.R. 4765, THE 21ST CENTURY VETERANS EMPLOYMENT AND TRAINING ACT, AND H.R. 3256, THE VETERANS' RIGHT TO KNOW ACT

THURSDAY, JULY 13, 2000

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON BENEFITS,
COMMITTEE ON VETERANS' AFFAIRS,
Washington, DC

The subcommittee met, pursuant to call, at 9:04 a.m., in room 334, Cannon House Office Building, Hon. J.D. Hayworth, (vice chairman of the subcommittee) presiding.

Representatives present: Hayworth, Filner, Reyes, and Evans.

OPENING STATEMENT OF HON. J.D. HAYWORTH, VICE CHAIRMAN, SUBCOMMITTEE ON BENEFITS

Mr. HAYWORTH. The subcommittee will come to order. Good morning, ladies and gentlemen. We welcome you to the second day of 2 days of hearings on H.R. 4765, the 21st Century Veterans Employment and Training Act, and H.R. 3256, the Veterans' Right to Know Act.

During our hearing, some witnesses will testify on both bills and some on just one or the other.

Our friend, the Ranking Member, Bob Filner of California; the Chairman of the Full Committee, Bob Stump, Ranking Member of the Full Committee, Lane Evans; and, our good friend, the Chairman of this Subcommittee, Jack Quinn; introduced the 21st Century Veterans Employment and Training Act on June 27.

Informing this bill was subcommittee testimony on veterans' employment legislative concepts last October and 3 half-day workgroup sessions of witnesses that Chairman Quinn and Ranking Member Filner convened this spring.

Many of you gave generously of your time and talents in making these work sessions a success and for that this subcommittee is very, very grateful. Your expertise, quite simply, is priceless and we all know that veterans are highly resourceful and engaging individuals.

Each provision in our 21st Century employment bill had to pass this subcommittee's litmus test of whether it would help veterans get jobs. If it did, we kept it. If it didn't, we dropped it.

It is the opinion of the subcommittee that Disabled Veterans Outreach Program specialists and Local Veterans Employment Representatives are good people trapped in an antiquated delivery system; quite frankly, a system created by the Congress.

Current law governing the delivery of veterans' employment and training services predates and was not designed for the current era of government performance and results, the creation of some 2,000 new One-Stop Career centers in the 50 States under the Workforce Investment Act, and public and private Internet-based job placement services that means some veterans, not all, need only visit their personal computer at home to find employment help.

The subcommittee is also delighted to take testimony today on H.R. 3256, the Veterans' Right to Know Act, introduced by our colleague, Representative Bill Pascrell. This measure would improve veterans' benefits outreach programs carried out by the VA.

And it is good to turn to my friends on the minority side of the aisle and I see the gentleman from Texas, Mr. Reyes, is here. Good morning, Silver. Do you have any comment for the record?

Mr. REYES. Good morning, Mr. Chairman. I, too, would echo your comments and express our hope that with these bills, we'll be able to do what we all fundamentally want to do as members of this committee, and that is to better serve our veterans.

Mr. HAYWORTH. I thank my friend from Texas. And with that, why don't we call up the first panel? We'll call up Mr. Dennis A. Beagle, of the New York State Public Employees Federation; Mr. Robert C. Gross, the President of ICESA; and, Major General Matthew Caulfield, U.S. Marine Corps, Retired, CEO, MilitaryHub.com, Chairman of the Board, Hire Quality, Inc., and Third Rail Technology, Inc.

And so, gentlemen, thank you very much for coming in. And as you come front and center to the witness table, we should say, as a matter of course, that we are sure you all have completed written testimony for us and we will accept those statements in full into the record, and we're very happy to have an abridged or, if not abridged, an abbreviated 5-minute period for remarks and we will extend that as circumstances allow.

So let us begin, please, with Mr. Beagle. Good morning and welcome.

STATEMENTS OF DENNIS A. BEAGLE, NEW YORK STATE PUBLIC EMPLOYEES FEDERATION; MR. ROBERT C. GROSS, PRESIDENT, ICESA; AND, MAJOR GENERAL MATTHEW P. CAULFIELD, USMC (RET.), CEO, MILITARYHUB.COM, CHAIRMAN OF THE BOARD, HIRE QUALITY, INC. AND THIRD RAIL TECHNOLOGY, INC., ACCOMPANIED BY BRIAN FEUCHT, PRESIDENT AND CEO, THIRD RAIL TECHNOLOGY

STATEMENT OF DENNIS A. BEAGLE

Mr. BEAGLE. Good morning, Mr. Chairman and members of the Veterans' Benefits Subcommittee. I wish to express my appreciation for your affording me the opportunity this morning to testify on H.R. 4765, the 21st Century Veterans Employment Training Act.

I also wish to express my appreciation to Chairman Quinn for giving me the opportunity to participate in the workgroups that met to review this legislation this year.

I represent the interests of LVER and DVOP professional staff for the Public Employees Federation in New York, and also the 1.4 million members of the Service Employees International Union.

We applaud the efforts of this committee in working to enhance the job opportunities of our Nation's veterans, who are transitioning to civilian employment. We agree with many of the provisions of the draft legislation, but this morning I will concentrate on those areas where we wish to see some changes.

Undoubtedly, we will submit more comments perhaps on some of the more positive aspects of the legislation in some written comments, but I didn't want to take the time this morning with my 5 minutes.

Mr. Chairman, we feel that funding for any demonstration projects referred to on page 21 and subsequent pages should not be paid out of funds designed for employment and training of veterans.

We also feel that the idea of reducing base grants to 90 percent by fiscal year 2004 and establishing a system of competing among the States and contract vendors using subjective measurements is not in the best interests of veterans nationwide.

A funding stream that depends on population of workload must be available in all States for all veterans.

Likewise, we also disagree with provisions on page 23, paragraphs 9 through 16, that allow for contracting out of services to other than Wagner-Peyser or Workforce Investment Act agencies.

This also applies to page 24, pages 13 through 17, that seem to circumvent Wagner-Peyser and Workforce Investment agencies.

Mr. Chairman, Congress set up these entities to provide a central location where employment and training opportunities can be accessed. Job orders, employer contacts, educational opportunities and the like are all available at these one-stop centers. Why make veterans chase all over for services and allow some outside contractor the opportunity to cherry-pick our veterans and pass over those more difficult to place and to train?

We strongly urge that this committee and Congress take up the issue of priority of service to veterans that was left out of the Workforce Investment Act. That's unfinished business, as far as we're concerned.

Currently, only Wagner-Peyser operations in the employment service require that priority of service be given to veterans.

Regarding the requirement by the Secretary to promptly establish a one-stop electronic employment service for veterans, discussed on page 28, lines 16 through 25, we suggest the one-stop system established by the Workforce Investment Act be expanded to include veterans employment services.

By establishing a national priority of local and national job banks available to all veterans, employment staff and the employment service and the one-stop system, veterans will have access to the most recent job opportunities.

Creating parallel and unequal job referral and placement systems put veterans at a disadvantage when accessing employment service. Why create another system when one-stop already exists?

Turning to the terms and conditions of the base grants to States, reflected on page 24, lines 18 through 22, we oppose the restriction

that not more than 20 percent of the funds received may be used for administrative purposes.

I am very much afraid that in my own State of New York, for example, there will be a temptation to refuse the grant if it's felt that the 20 percent funding is insufficient.

I recently learned that our State administration did not apply for a 2-year grant of 1.7 million under Section 168 of the Workforce Investment Act that would have afforded enhanced training opportunities for veterans.

If our administration declined this grant, I can't imagine them running the veterans program with less money than they feel is needed.

Our unemployed and transitioning veterans are the ones who will suffer the consequences of this action.

Finally, with respect to the panel within the Advisory Committee on Veterans Employment for the demonstration project, cited on page 18, lines 3 through 12, we feel that there should be representatives of collective bargaining agents on that panel to ensure that all personnel with an interest in the success of the project will have input.

Furthermore, an additional comment I'd like to make is we at the Public Employees Federation and the Service Employees International Union strongly feel and support that the inclusion of LVER and DVOP personnel on all panels and boards where policy and oversight is involved is an absolute necessity, and we thank you for including them on those boards and strongly urge that you retain them there.

In summary, Mr. Chairman, we favor veterans employment services run by veterans selected through civil service recruitment and funded through a reliable source based on veterans population and workload.

We have no problem with efforts to evaluate performance of personnel and the States if these standards are uniform and corrective efforts are expended to remedy shortcomings.

As a union representing the staff that will deliver the services to veterans, we need to be kept informed of the efficiencies of the programs in instances where shortcomings need to be addressed and wish to be part of panels and forums set up to monitor and advise government agencies.

Thank you again, Mr. Chairman, for affording me and the New York State Public Employees Federation and Service Employees International Union the opportunity to speak this morning and testify on this bill.

[The prepared statement of Mr. Beagle appears on p. 217.]

Mr. HAYWORTH. And we thank you, Mr. Beagle, for your testimony. Mr. Gross, good morning.

STATEMENT OF ROBERT C. GROSS

Mr. GROSS. Good morning, Mr. Chairman. Thank you for the opportunity of being here this morning. It's a pleasure to be here again. I was here in October of last year.

We want to, first of all, thank Darryl and Todd for the service they've rendered in terms of answering questions and working with our particular group.

I am here on behalf of the Interstate Conference of Employment Security Agencies, which goes by the acronym of ICESA. I was elected by my colleagues to represent them for a year. Full-time, I serve as the Executive Director of the Utah Department of Workforce Services. You may be aware that in Utah, we were one of the first States to implement one-stop centers under the Workforce Investment Act. We are one of a handful of early implementing States.

A couple of weeks ago, I was asked to testify before a joint hearing of the House Ways and Means Subcommittee on Human Resources and the House Education and Workforce Committee to report on the status of one-stop implementation, and I'm here essentially to address H.R. 4765 and talk about how we see this initiative as dovetailing and folding into the Nation's one-stop delivery system.

In general, let me just suggest that the 21st Century Veterans Employment and Training Act, we think, as you mentioned, Mr. Chair, in your opening statement, moves a long way toward integrated one-stop service centers and we see that as a very welcome change.

I can report to you, from a State perspective, that as our Nation's economy has moved and as programs have evolved, we, too, need to move and evolve with that in terms of the way we deliver services to veterans.

We believe that the proposed legislation supports the one-stop integration and recognizes what we call virtual or no-stop orientations in terms of service delivery. We think that is a very welcome change.

We also support removing the detailed DVOP and LVER position descriptions that are currently prescribed in Title 38 and the bill would also require the Secretary of Labor to submit to Congress a report that redefines these titles and functions.

We believe those are steps in the right direction. We would ask that the States' input be considered, and that we be considered full partners in the process.

Another item that we're particularly pleased to see is a requirement that would ask the Secretary of Labor to establish a comprehensive performance accountability system. Again, we think that is a very beneficial step. We would ask the States also be consulted and considered in collaborative efforts to establish this system.

We welcome the establishment of an incentive program that rewards States for good performance. We suggest that the legislation move away from the current staffing grant program and toward a program that is more in line with the other employment and training programs in the workforce development system.

There are a couple of concerns that we have and I'll just mention those briefly. First of all, some definitional concerns.

In Chapter 42, there is the term "covered person," and yet elsewhere in other Federal statutes there are definitions for eligible veterans, and those are not necessarily consistent.

We would very much like to work with the subcommittee in resolving those discrepancies. One of the concerns we have is the con-

fusion that this would cause front-line workers in our various one-stop centers throughout the country.

At the same time, we believe that the definitional phrase "any qualified employment training program" will also cause similar confusion.

We believe that Section 168 of the Workforce Investment Act, frankly, includes provisions for training programs targeted to veterans and there should be a closer alignment and a view toward moving toward that program.

In order to do that, we need to look at additional funding under Section 168 for expanded veterans' priority for employment training programs.

One of the concerns that we have is the provision in the proposed legislation that it calls for inclusion of a representative from the veterans community on councils, boards or advisory committees.

I testified a couple of weeks ago, having spent 20 years in the private sector as a local PIC chair and then a State chair, that one of the growing concerns we hear from around the country is the number of specifically designated positions that appear on our local workforce councils.

It has caused these councils, in many instances, to be unwieldy. That's not to say that we don't want veterans represented, but, frankly, those of us who represent the Nation's workforce security and workforce development system are charged with that responsibility and it's up to our local boards and local communities to define the constituency group of those various work groups in their local areas.

Finally, let me just talk about funding, very briefly. Over the last year, ICESA has been working with representatives from organized labor, the Department of Labor and the business community to essentially reform the employment service and unemployment insurance system.

I'm happy to report that we have a comprehensive proposal that we're ready to present to the Congress. In that proposal, we recommend an increased amount of funding for veterans programs, which we think will support the delivery system in terms of giving priority, the necessary priority to veterans, as well as the entire employment service system.

So we would ask members of this subcommittee to support this proposal and to take a very careful look at that legislation once it's presented and to assist us and support the States in that endeavor.

Thank you, Mr. Chairman.

[The prepared statement of Mr. Gross appears on p. 221.]

Mr. HAYWORTH. Mr. Gross, we thank you. Speaking as an Arizonan, it's always good to have a neighbor to the north come here and testify.

And my neighbor to the west, the Ranking Member, has joined us. We will ask for his opening statement following the conclusion of this panel, but we welcome him.

We also welcome General Caulfield, for his thoughts this morning.

STATEMENT OF MAJOR GENERAL MATTHEW P. CAULFIELD

General CAULFIELD. Congressmen, members and staff of the Subcommittee on Benefits, thank you for the opportunity to appear to express our views on the 21st Century Veterans Employment and Training Act.

At the outset, I want Mr. Quinn, the Chairman, to know and all of the members of this panel to know that in reading the bill and observing your activities over the past year has reaffirmed my faith in representative government.

I met with you, Congressman Filner, about 3 years ago and I distinctly recall the conversation and I distinctly recall your letter to me asking me what should we do.

I never replied to that letter. You, in fact, did in this bill. It's a tremendous bill. I am reminded of Margaret Mead's words to the effect that one should never underestimate how a few people with dedication can change the world. Through your efforts, the environment in veterans employment is totally different from that that we discussed 3 years ago.

I congratulate all of you and in everything, incidentally, Chairman Quinn has done, in every speech I have heard him give, he always mentions you, Congressman Filner, and particularly the work of the minority members.

Since my retirement in 1992, I have gained a unique perspective derived from starting two subsidiaries of a large corporation which hired transitioning servicemembers to Leading for almost 6 years, a company which recruits transitioning servicemembers and veterans for some of America's largest corporations.

I have personally visited over 250 corporations in search of jobs for former members of the Armed Forces. We handle all ranks, but our core business is helping the lower ranks across all skill sets find good jobs.

I am particularly proud that we help more combat arms personnel than any company or group of companies in the country. We are completely private, do not receive government funding, and provide our services totally free to members of our armed forces and we have never received any government funds.

In the past 6 months, we founded and I have served as Chief Executive Officer of MilitaryHub.com. MilitaryHub.com is an internet company that, through a very substantial investment by Perot Investments, extends substantially the reach, our reach to veterans.

Incidentally, the ownership of Military Hub is going to be members of our Armed Forces and veterans. It's the first time in history this has been done.

It's not going to be owned by venture capitalists. It's going to be owned by us.

Our one-stop employment center provides a personal tailored place on the internet where every veteran will find a good job for which he or she qualifies. For example, last month we signed an agreement with the International Association of Police Chiefs for some 16,000 departmental jobs. No longer does the veteran have to sign up with a private security agency without benefits.

In addition to that, last week, we signed an agreement with Kelly Services. Kelly Services puts 5,000 jobs into our system every month.

I will briefly summarize sections of the bill.

Employment of veterans in respect of Federal contracts. We all know the law has been on the books for a long time, but never enforced. I congratulate you on the enforcement provisions, including the legal remedies, and particularly the words "take affirmative action."

The complainant should be expanded from individuals entitled to rights and benefits to anyone or any entity with knowledge of non-compliance. For example, an American Legion Post, a DVOP, LVER, companies like mine.

The enforcement would be absolutely at no cost and it would be just a natural enforcement. Believe me, this is done with software enforcements by alliances.

More important than anything else, I think, in that particular section, is that a covered person should be expanded to include spouses of active duty members of our Armed Forces, including the Reserves and National Guard. It would have a major impact on recruiting and retention and it would cost us nothing, but it would be a wonderful signal.

Section 3, modernization of veterans employment and training services. The demonstration program to modernize veterans employment training and placement services is long overdue.

I strongly recommend that all reports, indeed the program evaluation should be conducted by independent sources and evaluation reports be reported concurrently to the Department of Labor and to Congress. I suggest the GAO play an oversight role from the program's inception and validate evaluation results.

One of the major problems of our program is that you have the wolf guarding the chicken coop and the only reports you get are from the people responsible for the program. They're useless.

Requirement that the Secretary promptly establish a one-stop employment service. We already have that, and let me say this loud and clear. We have that. We are willing to give the software to the U.S. Government for absolutely no cost whatsoever. We'll do it tomorrow and instead of the 18 months to get this program going, we'll do it in 90 days, at no cost to the Government.

On Commerce to Raise Employment Awareness of Skills, I agree completely, get it out of the Department of Labor, put it in the Executive Office of the President, get members who are prominent executives of corporations, particularly, incidentally, retired executives of corporations, executives of small businesses, put them together in a room, make them do something other than once a quarter—this is going to be a full-time job—and get out to the American people the tremendous loss we have by discriminating, the way it is de facto done, against veterans.

Lastly, the sense of Congress to commend veterans' service organizations. Be sure that we don't include all veterans' service organizations. We include those veterans' service organizations that have stepped up to the bat.

I would include only veterans' service organizations that have had a program to help employment for a period of 3 years. If you list all veterans services, none of them get the credit. There are some out there that have done a phenomenal job. One is the American Legion.

And, specifically, individuals should be recognized in the sense of Congress. The National Adjutant, Mr. Bob Spinogal, and Jim Hubbard, who is in this room, have done more for veteran placement than any individual in the country.

The Legion's program is among its national agenda items. It is based on the latest technology and has been implemented in a way which ensures grass roots support. It should be commended within the sense of Congress and cited as a model of what other veterans' service organizations could achieve in assisting veterans find employment.

As I mentioned in my testimony last year, the American Legion does more today for veterans in the workplace than any other organization in or out of government.

In the years ahead, I recommend that sense of Congress commend businesses which have extraordinary records in hiring records.

Thank you very much, Mr. Chairman. I also brought along our brand new, in fact, CEO of Third Rail Technology, which is a technology spin-off of Higher Quality. I brought him for several reasons, but mostly, after reading an article in the Wall Street Journal about Speaker Gingrich, Speaker Gingrich, in his new activities, indicated in this article that what he really learned in Silicon Valley was the fact that government is no longer relevant.

And when I read your bill, with the time that was given to the Department of Labor, for instance, to get things done, the way they wanted to do things, hard copy complaints instead of e-mail, now that particularly signatures are accepted over e-mail, I couldn't help but say, "Good God, this is just going to be another program, unless we watch out."

What Gingrich said is that what the government has to recognize in this world of technology are the three kids in a garage. You know, the CIA has a venture capital fund because no longer are the government laboratories relevant. The good people aren't going there. Sitting next to me is a young man who wanted me to put, in addition to giving the government software free and doing it in 90 days, he wanted to maintain the entire—this is tying together all the LVERs, all the DVOPs, at no cost whatsoever.

Now, that doesn't come out of beltway bandits. It comes out of people his age, with his way of doing things technologically, and Brian, incidentally, is the best example of the people we're trying to help.

He came to us 6 years ago as a Marine Scout Sniper, Corporal, got paid seven dollars an hour, has worked forever since then, is now totally self-taught, probably one of the best technical people in the country. He was just recently in a cover story in CIO Magazine.

And should you have questions on technology, I'd simply defer to Brian, because we fought for 2 weeks over what we were going to give away and what we ought to be charging for, but it's a generational problem.

[The prepared statement of General Caulfield appears on p. 225.]

Mr. HAYWORTH. General Caulfield, I thank you for the testimony. I thank you for bringing along the former sniper, who is right on target. I think just from the Chair's perspective, we should reiterate what oft times would be if not revolutionary, then certainly

atypical, to put it mildly, just so everyone understands, what we have here today is an offer of technology coming to the government gratis.

Not your tax dollars at work, but true philanthropy in a public-private partnership, and just noting that and how rarely that occurs, I think, is laudatory, and we thank you, General, for your testimony. Brian, we thank you for accompanying the General. Thank all you gentlemen.

Now, I would simply note that the Ranking Minority Member of the full committee has joined us, Mr. Evans from Illinois, and, of course, the ranking member of the subcommittee is here, and we would welcome any comments they have and any questions they have.

Mr. EVANS. Thank you very much. I want to welcome everyone to the second day of employment, revisiting the issue of employment services for veterans and hearing your views on H.R. 4765, the 21st Century Veterans Employment and Training Act.

We all know that pursuing a career that is satisfying is a primary component in living a sound and rewarding life. So I appreciate you holding these hearings, Mr. Chairman, and looking forward to working with you.

Mr. HAYWORTH. Thank you very much, Mr. Evans. And now our good friend from California, the ranking subcommittee member.

Mr. FILNER. Thank you, Mr. Chairman. I associate myself with your remarks and I want to thank my Uncle Matthew for his kind remarks to start off. Thank you, General, very much.

General CAULFIELD. You're welcome, sir.

Mr. FILNER. Is this the first time you've made your offer or has it been made to the VA through other channels?

General CAULFIELD. You're an intelligent guy. We made it to the Department of Labor on May 14 in a white paper that not only was never answered, but numerous inquiries of mine were not even—the phone calls weren't even returned.

They can't handle it and it's not the people necessarily. The government can't handle this. They can't handle the Brians. Corporations have the same problems, incidentally, with the whole internet idea and the whole technology idea.

Mr. FILNER. Would you say it's a generational thing as opposed to organization? I missed your explanation for why.

General CAULFIELD. It's generational. And I know my service is having the same problem, because I know a lot of young officers out in the systems command.

What the CIA found out was that they just had to get to these people like him and people like him have totally different ideas. I mean, I'm not one to give anything away. I was a Marine for too long, I guess. But Brian has it all figured out.

Mr. FILNER. But they put the advertising on, I can see why they give it to you free. Just kidding, just kidding.

General CAULFIELD. Incidentally, everybody has to succeed. Everybody has to win or nothing works. But partnerships can really work. We've got a tremendous partnership with the American Legion.

Mr. FILNER. Were you here yesterday at the hearings?

General CAULFIELD. I was not, sir.

Mr. FILNER. I'm just saddened by the difference between the kind of testimony we're getting from people who are out doing this day to day, the "can do" kind of attitude, and the bureaucratic response. We don't deny their commitment or their energy or their work, but there is just something about the bureaucracy that they move right into process and examination. And I'm sure lawyers somewhere are studying your proposal and maybe in a year or two you'll get an answer and their liabilities will be there, rather than what can we do, in this case, for our veterans that will be effective.

Somehow, our legislation is trying to say that. We shouldn't need this legislation. We have two pieces of legislation that are really common sense about what VA and Department of Labor ought to be doing, and somehow they're not doing it and I don't know why.

I thank you. I read the earlier testimony. I'm sorry I missed it in person. But there's this "can do" attitude and just "get the job."

We can pass all this legislation, but with the same processes and the same mindset, it's difficult to get it done. If we can't even get an answer to a free offer of the latest technology, something is wrong here. These hearings keep bringing it up and we need to find a way to deal with it.

I appreciate your testimony today.

Mr. HAYWORTH. I thank the gentleman from California. And knowing of his study of political science and psychology and other challenges of the mind, I recall, in my college days, something that my professors used to talk about, the law of bureaucratic inertia.

Once a process is started, that process continues sometimes contrary to all outside conditions, because the process becomes holy writ and it's the way we've always done it.

The proverbial story of the way you prepare the chicken by cutting it in half and throwing away one half and the question coming up why. It was because, well, grandma, when she was doing it, had a small pot and she didn't have a way to cook both sides of the chicken.

We had a bigger pot, but we still cut the chicken in half, because that's the way she taught us. Perhaps maybe a simplistic and homiletic kind of response, but the fact is we are sadly, and this is not partisan, this is just more institutional, we seem to become prisoners of process and when process overtakes everything, including results and responsiveness, then you have the challenges we face and it's not specific to what we've confronted here. It's what we see sadly in a lot of areas.

Representing the Army, in addition to the great State of Texas, our friend Mr. Reyes.

Mr. REYES. Thank you, Mr. Chairman. I, too, want to thank Brian and the General for that offer.

I think in a sense, part of what we're trying to do here is get people to think outside the box, because I think in addition to the bureaucratic quagmire not only that we see, but that we hear in the hearings, there's also, from my perspective at least, a ray of optimism and it's largely predicated on the kinds of things that you have indicated here today.

In the context of what we're talking about, Mr. Chairman, I wanted to refer back to one of the comments that was made by Mr.

Beagle, and that was that for us to eliminate the 20 percent for administrative purposes, that cap.

I think that, in a sense, I think, reaffirms the endemic bureaucratic attitude, because as you know, I spent over 26 years in Federal Government service and whenever the United Way effort came around, one of the things that I looked, the organizations I was going to contribute to, was the breakdown on how much money actually goes out to the people that they serve and how much money do they keep for administrative overhead.

I don't think 20 percent, a 20 percent cap is too high. I just think that we need to encourage people to operate in a manner much like the General and Brian have shown this morning.

Part of what I think we need to do is maybe provide the impetus to change the bureaucracy, to change what we all get very much frustrated by, and that's an endemic quagmire of process versus what ultimately we're trying to accomplish, and that's to serve our veterans.

We hear that frustration over and over and I just think there is a ray of hope and optimism when we have this kind of an offer.

So I appreciate that very much and I would hope that we continue to do what's right for the veterans, bottom line.

Thank you, Mr. Chairman.

Mr. HAYWORTH. Thank the gentleman from Texas. Any closing comments or response to these comments from you gentlemen?

If not, then I want to thank the first panel very, very much. We will get back to you on this offer, in fact, in a bipartisan way.

General CAULFIELD. I hope you will, sir. And if I might say one thing. Congressman Lane Evans, our company started in Chicago and it isn't your district, but everyone I ever met, particularly your old Marine friends, always told me you've got to see Lane Evans. And here it is 6 years later and I've finally met you. It's very nice to see you, sir.

Mr. HAYWORTH. Thanks to the panel, thank you very much, and we will be in touch.

Let's call forward panel two, please. Our second panel includes Mr. Rick Weidman, the Director of Government Relations for the Vietnam Veterans of America; Mr. Raymond G. Boland, the Secretary of the Wisconsin Department of Veterans Affairs and Legislative Chairman of the National Association of State Directors of Veterans Affairs; Mr. James Hubbard, Director of the National Economic Commission of The American Legion; and, Mr. Ron Drach, President of R.W. Drach Consulting.

Recalling vocabulary, that would be called an eponymous title with that type of name. Learn a few things and build word power as we go along this morning. Eponymous is better than being posthumous, as my good friend, the ranking member and, once again, bipartisan agreement on that topic.

So now that panel two is front and center and in place, let's begin the testimony and we welcome Mr. Weidman for his remarks.

STATEMENT OF RICK WEIDMAN, DIRECTOR, GOVERNMENT RELATIONS, VIETNAM VETERANS OF AMERICA; RAYMOND G. BOLAND, SECRETARY, WISCONSIN DEPARTMENT OF VETERANS' AFFAIRS AND LEGISLATIVE CHAIRMAN, NATIONAL ASSOCIATION OF STATE DIRECTORS OF VETERANS' AFFAIRS; JAMES B. HUBBARD, DIRECTOR, NATIONAL ECONOMIC COMMISSION, THE AMERICAN LEGION; AND, RON DRACH, PRESIDENT, R.W. DRACH CONSULTING

STATEMENT OF RICK WEIDMAN

Mr. WEIDMAN. Mr. Chairman, I thank you. We have a logistical problem here. It just proves what my wife knows to be a fact for many years. You can dress him up, but you cannot take him out, and we've managed to spill water all over the witness table.

I thank you very much, Mr. Chair, and all of the members of the committee on both sides of the aisle, for what Vietnam Veterans of America would very much agree with you has been a remarkable bipartisan effort of getting beyond slinging slogans at one another and hunkering down behind set positions and trying to find out what, in fact, is going to improve the veterans' employment and training services system.

Similarly, this morning, considering the Right to Know Act, and I'll just comment very briefly on that and refer to my written record, which I trust will be entered for the record.

The Right to Know Act is legislation that should not be needed, absolutely not be needed. However, while it requires no additional legislation to ask VA to make a plan to do outreach and do outreach that is already mandated, in fact, they have not yet done so. They have been in existence since 1933 as an agency and as a cabinet department for almost a decade now, and yet they have not put together a plan to do outreach.

Vietnam Veterans of America is in favor of the Right to Know Act and would urge this Congress to pass it and seek early enactment, number one, and, number two, to plan now on a bipartisan basis to do oversight hearings next year to make sure that they darn well are doing it.

I just want to make two illustrations on that, if I may, and it segues right into the employment.

One is on the Agent Orange Act of 1990, it requires VA to do outreach to veterans about what are the conditions that may be due, such as, I would offer as an example, prostate cancer.

Most Vietnam veterans who have prostate cancer, that is a presumptive disease, have no idea that it's a service-connected presumptive disease and that health care will be paid for at the VA and that they're due compensation and pension to help their families get through, because 85 percent of veterans do not use VA.

If you're not enrolled in the VA system and you get prostate cancer, most veterans, it doesn't occur to them to go check. When asked, Mr. Epley was asked in a Congressional hearing, under oath, recently, what was your outreach plan, what he offered in return was stand-downs, which, incidentally, isn't, as Mr. Filner pointed out yesterday, isn't even really their program.

That was their whole outreach program on Agent Orange to fulfill the statutory requirements. So we would suggest that you move

ahead with the Right to Know Act and that you plan to do heavy oversight on it.

The second dovetails right into the employment. In 1988, I took over as State Veterans Program Administrator for the New York State Department of Labor and one of the things that we did in working then was create the New York State Veterans' Bill of Rights by gubernatorial action, laying out simply what you are entitled to, establishing an 800 number essentially as an ombudsman, and got those wallet cards, as we called them, which were the size of credit cards, but a tri-fold, so people could carry them in their wallet, and put them on the front desk of every job service office in the State, every unemployment office in the State, Vets Centers, you name it, it went out there. Went to the Department of Corrections and it cost us 600 bucks to put together PSAs, and most of that was for duplication, for television and for radio, and got it out; created posters and got them everywhere, laying out this is what you're entitled to and here is an 800 number and if you don't get it, you pick up the phone and call that 800 number and we also disseminated information.

Sixty percent of the calls that we got over the first 5 years of that program were people either baffled, angry, confused, or simply been lost as to where to turn and couldn't figure it out by getting that information from VA.

So they would call us, because there was no accessible way to reach VA.

Now, why is that important? I would not leave out the Department of Labor. There is no reason why they are in this act. You cannot build in the Veterans' Bill of Rights and force Labor to work with VA to create a national 800 number to lay it out simply and clearly.

All the internet stuff is great, but there's not too many guys who are on the street who have the internet and are packing a portable computer that they can access the internet with. So you want to reach all parts of the veterans community and the most important thing about the veterans employment and training program is the people.

It's the human contact, it's the one-to-one. People who can use the internet are already using private resources, as well as the public labor exchange materials and information and data that is on the internet and that's all well and good and we applaud those efforts, but that's not who we're talking about when we're talking about veterans employment.

VVA subscribes to a holistic view of what is our duty. Our covenant of the American people, through our government, with the men and women who are asked to place their lives on the line in defense of the Constitution of the United States, is that it will be made whole again.

In fact, what we have not done is a holistic view of that whole veteran. Wellness includes helping deal with everything that happened to that individual's health in the military, but the litmus test of returning to the highest degree of autonomy possible is the ability to obtain and sustain meaningful employment.

It is key. The payoff, if you will, to the billions of dollars we spend every year on health care, on vocation and rehabilitation, GI Bill, voc rehab, you name it, is finally getting a job.

When you talk to providers who deal with homeless veterans, every darn one will tell you that if you can't help that person get or keep a job, after going through alcohol rehab counseling, physiological assistance, with health problems, et cetera, if they can't get and keep a job, they'll be back on the street in less than 6 months and this time the bottom, if you will, will be lower than it was the last time.

If I may have just one more minute, even though the light has gone on, Mr. Chairman, I would be grateful.

So we have to have this for the payoff of the investment that the Congress and this committee, frankly, has led the way in creating all those veterans' programs and to pull them together. The football analogy would be that you can gain a lot of the yards and get down in the red zone, but if you don't score, what's the point.

We spend a lot of money to get down in the red zone and we can do a better job at that part of it, too, I might add, but the payoff is getting and keeping a job. That's what best rehabilitation we can do for the men and women who have served our Nation so well and that's where we're breaking down.

Someone suggested that Labor can't handle that aspect of it. Maybe they can handle part of it and certainly that part of it can be done better.

This act, the 21st Century Act, is one of the most remarkable pieces of legislation and efforts that I've ever seen before the Congress. Certainly, in my lifetime, having been involved in this since 1975, of employment as a key to rehabilitation and readjustment for veterans, this is the landmark piece of legislation that is moving us from a process oriented system to a results oriented system and starting to—details is something that we're going to have to work out and negotiate on, but the only thing that I want to say is to share with you, when I was State Veterans Program Administrator in New York, I always shared with DVOPs.

I fought like the dickens to get them the wherewithal and to get them the latitude to be able to do their job. But in return, what we expected from them and what I expected from them is you do not have a job to have a job. You have a job to do a job for other disabled vets.

And the Administration position put forth yesterday that there has been a great diminishment in the resources going into DVOP, LVER and the positions aren't fully staffed, meets the classic definition of hutspace. The classic definition of hutspace, Mr. Chairman, is an individual who is on trial for patricide, who throws himself on the mercy of the court because he's an orphan.

Who made the request for the DVOP/LVER grant over the last 7 years? This Administration. Below the statutory level and, in fact, the Congress increased it every year, every year.

We would agree that the level of authorization from this committee ought to be at 250 million as a start and adjust it up from inflation, if we're moving from a staffing grant, and that there needs to be some kind of job description until the regs are done, and I think that was the intent of the committee, but it's not clear in the

legislation, and work towards achieving a balance and additional work systems, if necessary, in order to make sure that we get something in enacted this year to balance the staffing grant concept against the performance needs that takes into account human behavior that will actually result in doing the job, not just having a job.

Thank you very much, Mr. Chairman, and I appreciate the few extra moments.

[The prepared statement of Mr. Weidman appears on p. 230.]

Mr. HAYWORTH. Thank you very much, sir. We are continuing to build word power with yet another definition of hutspsa this morning. Sometimes you have to laugh to keep from crying, but the final analysis is it's not a laughing matter.

Mr. Boland, welcome and we appreciate your testimony, sir.

STATEMENT OF RAYMOND G. BOLAND

Mr. BOLAND. Thank you, Mr. Chairman, and I appreciate this opportunity to comment on both H.R. 4565 and H.R. 3256. I appreciate the opportunity today to bring you the collective voice of all of State government, as representative of our national association, as well as my own more than 8 years of service as the Wisconsin Secretary of Veterans Affairs.

And if I could put on another hat for a moment as Vice President of the National Coalition for Homeless Veterans. I want to express my appreciation for including Miss America, Heather French, in the testimony yesterday. She has been a real champion for us the past year and both Governor Thompson and I had the privilege of sharing testimony with her in March on behalf of homeless veterans.

Our State directors want me to thank you most for your bipartisan support, the Chairman of this committee and other members of it, to provide the leadership that we need to reform and modernize veterans employment services. And I tell you today, we offer our full support for passage of this very important legislation.

First, I would like to make a couple of comments about 3756 and then come back to the subject of veterans employment.

For many years, we have been shouldering the responsibility of promoting Federal programs and benefits among our veterans without much assistance from the VA. We all need help from the VA to accomplish the outreach that needs to be done to properly inform veterans and we think that H.R. 3256 can help make this happen.

I want to give you just a little bit of feedback on a survey effort that we undertook in Wisconsin 2 years ago to try to better understand what veterans know and what they don't know.

We did a mail survey. It was computer-driven. It distributed it among the veterans throughout our State, by years, age groups, war periods. Went out to 3,000 veterans. We got a remarkable return of more than 50 percent, which told us—and many of them commented this is the first time anybody has asked us as to what do we know or don't know.

It confirmed many things that we suspected. One of them was only about 30 percent of them were members of veterans' organizations and I think we tend to rely heavily upon the veterans' organi-

zations to get out the word, but the fact is most veterans are not members.

We found that only about a fourth of those who are members are active in those organizations and are regularly attending meetings and getting information.

So it confirmed the fact that knowledge level is very low, a lot needs to be done.

In my case, we have increased the number of town meetings that we do. Representative Evans participated in one with us recently, organized by Representative Baldwin. We're doing statewide public radio call-in shows. We're trying to reach veterans on a more personal basis.

Recently, I even contracted a public relations firm to help develop our game plan to do this and one of the first questions they asked me is why isn't the Federal VA doing this.

They told us there are probably two things that we need to do most. One of them is we've got to reach veterans more directly on a personal basis and the message has to be convincing. We have decades of culture of many veterans who don't believe that we want to help them.

The poster technique was mentioned. They have proposed one for us. I just brought an example of it along for you today. This kind of thing is cheap. You can put it in every community throughout your state, and we're going to do that.

And it's a real simple message, it says, "I Owe You" and it's Uncle Sam reaching out in a different way. It says "I called on you once before, now I want you to call on me." And it's going to have tear-off slips on here that's got the local phone numbers, it's got the 1-800 numbers. It's something that the veteran in the supermarket, in public places in our community can tear the slip off and know we're serious about contacting them.

So outreach and marketing is a very important part of what we've got to do. It's part of the veterans employment situation, but obviously there's a lot more to that question.

We think that H.R. 4765 is a step in the right direction and to coincide with the already enacted provisions of the Workforce Investment Act.

What's conflicting is that we've got States mandated to create locally developed flexible plans for providing service, yet the DOL process is still high centralized and restricts innovation and creativity at the local level.

Mr. Chairman, we have actually seen situations where States have been warned by the Department of Labor that any State innovations in veterans service delivery, even if they might enhance outreach and access, but fall outside the box, could result in the loss of Federal grants, and Wisconsin is one of the States that has had such a warning.

Enactment of this bill will create an employment and training service that is outcome-based as opposed to process-driven. We strongly support the 5-year demonstration project, the 5-year State strategic plan, the labor market area pilot program.

These elements of the legislation will allow for a best practice to evolve in the delivery of employment and training services.

And we recommend that the States selected for this pilot study have the freedom from current restrictions to really be innovative and to be able to involve their State veterans' agencies.

I want to point out that just 2 days ago, the National Governors Association, at its annual meeting held in Pennsylvania, adopted, for the first time, a veterans' policy agenda that includes reference to this subject and the remarks that I make in this testimony. I would like to leave a copy of that policy paper with the committee and get it in the record.

Mr. HAYWORTH. Without objection, we will stipulate that we will include that in our record of today's proceedings.

Mr. BOLAND. Thank you, sir. Not only does the Workforce Investment Act encourage flexibility on the local level, but it also fits in, we think, with the shifting of responsibility that's been taking place with partnership programs with the VA, major programs such as long-term care and veterans' cemeteries, the state's function for State GI Bill approval, these are things that are already precedents in place with State government and they support the new actions in the labor arena that can result in similar success stories in efficiency and service through State government.

Mr. Chairman, we believe strongly that State governments should be an important part of the solution and improving service to our veterans, including employment service. This bill can strengthen and build upon things we're already doing.

Please, seriously consider continuing this effort to push down Federal programs that can work better with centralized management.

I thank you again for including us in this hearing.

[The prepared statement of Mr. Boland appears on p. 239.]

Mr. HAYWORTH. Mr. Boland, we thank you for your testimony. I'll wait to amplify something toward the end, but I'm just compelled to say, at this point, I want to make sure I understand, it has been your experience that the Department of Labor has essentially threatened State agencies for doing their jobs more effectively and the proverbial thinking outside the box.

Mr. BOLAND. That's correct, specifically with regard to any variation from the current stovepipe restricted methods of doing business.

We have made some recommendations to do some things differently and we have been warned that those are not acceptable.

Mr. HAYWORTH. My apologies to the rest of the committee. I don't mean to depart, but I just thought that was something we needed to have amplified in the testimony. I thank you. And we will have questions at the conclusion of all the testimony, but thank you for that brief comment there.

Now we turn to Mr. James Hubbard, Director, National Economic Commission, for our friends at The American Legion. Good morning, Mr. Hubbard.

STATEMENT OF JAMES B. HUBBARD

Mr. HUBBARD. Good morning, Mr. Hayworth and other members of the committee. It's nice to see you.

Let me start by offering my public appreciation to General Caulfield for his remarks concerning my organization, my boss and

me. I wonder what would happen if the gentleman referred to so affectionately by Mr. Filner as Uncle Matthew ever became the Secretary of Labor or the Secretary of Veterans Affairs or maybe even the Assistant Secretary for Veterans' Employment and Training Services, talk about shaking up a bureaucracy. That would be a wonderful thing to have happen.

Mr. Chairman, I appreciate the opportunity to comment on H.R. 3256 and H.R. 4765.

With respect to H.R. 3256, I would like to associate myself with the comments of Mr. Weidman, my colleague and friend, and endorse what he said. We endorse the same thing. This committee is concerning duty to inform legislation and this goes right along with that.

With respect to 4765, the Bureau of Labor Statistics recently issued a report on the employment situation of Vietnam era veterans. Nearly 90 percent of male veterans had not reached the standard retirement age of 65 as of last September. The labor force participation rate for Vietnam theatre veterans was 76.5 percent. The unemployment rate for that group was three percent.

For non-Vietnam theatre veterans, the labor force participation was 82.9, the unemployment rate was essentially the same at 2.4 percent. Just under a million male veterans of the Vietnam era reported having a VA service-connected disability rated somewhere between zero and 100 percent; 23 percent of that disabled group had a VA service-connected disability rating of 60 percent or higher, and only one-fourth of that group participated in the labor force.

Clearly, there is still a need for the services out there that are provided by the existing employment system.

Mr. Chairman, the American Legion supports the concept of revitalizing and reinventing the veterans' employment and training services. The last major reinvention was a decade ago, with the advent of Workforce Investment. It's clearly time to take a long, hard, comprehensive look at this thing.

We note that section 4215 of H.R. 4765 clarifies the meaning of priority of service. That is absolutely necessary. The current law does not define adequately priority of service and this bill would correct that oversight.

We have some concerns about section 3. One of the major themes of the bill seems to be that of turning the administration of veterans employment and training programs to the States and it almost looks like we're abdicating a Federal role.

Now, clearly, the States are on the cutting edge with respect to new ways of doing business and thinking outside the box. But there is a philosophical issue with us. Those of us who served in the Armed Forces did not join the Army of Michigan or the Navy of New York or the Air Force of Virginia.

We joined the Armed Forces of the United States and we believe it's appropriate to provide Federal assistance and Federal oversight in finding a career for those who are leaving the Federal Service from its Armed Forces.

The issue of accountability is covered in this bill. The current way of counting services to veterans is derived from a report that the Employment and Training Administration uses, called the ETA-9002.

That data shows that only about 25 percent of the veterans registered by the system found employment in the 90-day period following registration.

The problem is that the 9002 report is incomplete. Veterans who are unemployed and still actively seeking meaningful employment or are under-employed and still seeking employment are not counted.

The veteran who finds a job 90 days or more after receiving services is not counted. Veterans who find a job through America's Job Bank are not counted. Accurate counting is expensive and the funds are simply not available to provide an adequate count at this point.

We applaud the subcommittee and the full committee for including the mandate to develop a new counting system in the legislation. As a suggestion, the current Assistant Secretary has undertaken what might be considered an anecdotal study in Maryland using social security account number records, employment records. That has some promise. We think it's anecdotal, it's not complete, but it's a good start.

The new section 4212 which the bill adds to Title 38 mandates this new accountability system and that is the right and proper thing to do.

We have some concerns about the demonstration project. The way we've read this legislation, it takes all of the money estimated under section 4106 and puts it in a demonstration program in the new section under reinvention.

I'm not sure that's just the right way to do it. We would suggest a more conservative approach in that we pick five States or, say, ten States to do a demonstration project. The States are good at finding new ways of doing business. But let's fund just five or ten States for a demonstration and then compare what happens in those States with the current system using the new accountability standards mandated by the legislation.

The next section of the bill causes us some concern. It eliminates section 4102(a), 4103, 4103(a) and 4104, and replaces it with a new section 4103. We would like to make some minor changes to that.

First of all, the Assistant Secretary should be a veteran. The American Legion strongly urges that this be made a requirement. We are mandated to support the continuation of a residency requirement for those who are appointed to Directors of Veterans Employment and Training in the States.

We note that the position of assistant State director is made optional. Our experience with the appropriators has been that the appropriations committees make it a practice not to fund optional positions. The Directors of veterans employment are going to be affected in big States. The DVETS need some help and their assistance positions should not be optional.

The section instructs the Labor Secretary "to the extent practicable, appoint qualified veterans as supervisory personnel." I can't think of any case where it isn't practicable to appoint a veteran. So we suggest the removal of the phrase "to the extent practical."

I seem to have emphasized some of the negative parts of this bill, but writing superlatives is easy and I take my job seriously and

there are some things in this bill that we have some problems with, but they're fixable.

On the whole, we think this legislation will allow the Veterans' Employment and Training Services to serve its constituency better.

I look forward to answering any questions you may have.

[The prepared statement of Mr. Hubbard appears on p. 242.]

Mr. HAYWORTH. And, of course, Mr. Hubbard, it goes without saying, although I'll say it, we always welcome constructive criticism and sometimes we get a lot of that from our constituents. It comes in the mail and through testimony.

Mr. Drach, your testimony, please, sir.

STATEMENT OF RON DRACH

Mr. DRACH. Thank you very much, Mr. Chairman. It's a pleasure to be asked to testify this morning on H.R. 4765. I would like to commend both Chairmen Stump and Quinn, as well as the ranking members Evans and Filner, on their bipartisan support of this bill.

I would also like to point out that I have had the pleasure of working with Mr. Evans since his freshmen year in 1982 on very, very many employment pieces of legislation and every piece of employment legislation since his tenure has his fingerprints all over it, and I want to thank him for his continued support of veterans employment and training issues.

Mr. Chairman, I was here yesterday for only part of the hearing, I had to leave early, and I understand that in the afternoon there were some comments made that this legislation would put disabled veterans out of jobs and onto the streets.

I have devoted more than half my life advocating for employment of disabled veterans and if I thought that this legislation put one disabled veteran out on the street, I would not be up here supporting this legislation. I would be up here doing my best to kill this legislation. I do not believe that one disabled veteran will be placed on the street as a result of this legislation.

Priority of services, I think, is very, very necessary. I understand the Department of Labor indicated yesterday that we don't need a new definition of priority of services because WIA, the Workforce Investment Act, takes care of veterans.

I think I heard Mr. Beagle say just the opposite, that WIA needs to be amended to include veterans specifically in that legislation.

My short-term memory fails me, I don't remember what I had for breakfast, but I do remember the 1970s and the 1980s and CETA and the Job Training Partnership Act, neither of which had priority of services for veterans, neither of which have served veterans.

There has not been a national employment and training program that's adequately served veterans since the MDTA of the 1960s. So without that specific veteran language, I don't expect WIA to serve veterans adequately.

I would also like to recommend, in the determining of eligibility, that years ago, and I don't know how it got out of the law, there was an old section 213 that excluded from determining eligibility for employment and training programs income derived from the VA, compensation, pension, GI Bill, so forth and so on, because many of these programs are income-driven or their eligibility is based on income.

Many times, veterans were denied employment or enrollment in these programs because their income was too high because they received GI Bill or compensation. That section 2013 somehow got deleted somewhere along the line and I would like to see language put back in that would exclude any income derived from veterans' benefits excluded from determining eligibility based on income.

I also want to commend you for adding a new definition that would include anyone with a service-connected disability as being eligible.

The Federal contractor job listing issue, back in the 1970s when that was first put into law, there was never anything in the law that put a cap on the salaries of the jobs that were to be listed.

The Department of Labor, despite the objections of the veterans' service organizations, put an arbitrary cap of \$25,000, any job that paid more than \$25,000 did not have to be listed.

I would urge you to consider about putting some language that would say there is no cap on that.

I also want to commend you for talking about what is a qualified disabled veteran, and that is somebody who can perform the essential functions of the job with reasonable accommodation.

Mr. Chairman, that is very consistent with the language that's in the American with Disabilities Act that protects people with disabilities in the employment market.

I also commend you for changing veterans readjustment appointing authority to veterans' recruiting appointing authority. I think that has a much more positive connotation.

You also allow the Secretary to authorize ten additional personnel to carry out some of the functions of this legislation. I would suggest that you change "may" to "shall." I have found in my experience that permissive language doesn't work in the Executive Branch.

I also support the demonstration program to modernize employment and training and placement services. I support the performance standards and outcomes. I remember when performance standards were first being put in the regulations, again, almost a quarter of a century ago.

Those regulations, on their face, were not consistent with the law. We need to have meaningful performance standards.

The incentive grants, again, I support those, but they give me pause. We have to be very, very careful that those incentive grants are used as intended and that they're very judiciously administered and that they're not just given out as rewards to friends. We have to be very, very careful of that.

I support the idea of a Deputy Assistant Secretary being a career employee, but I do believe the restrictions that the individual must have 5 years of Federal civil service experience is too restrictive. That language, sir, would exclude my colleagues here to the right, who are both eminently qualified to be a Deputy Assistant Secretary, but because they don't have 5 years of consistent Federal service, they would not be eligible to be considered for that job.

I will conclude with the residency requirement. Mr. Chairman, I can think of two jobs in this country that the residency requirement is justified. One is a U.S. Senator and the other is a U.S.

Congressman in the House of Representatives, because you represent your districts, you represent the people.

A State director or an assistant State director for veterans employment and training, being a resident of that State brings absolutely no qualifications to that job. VA medical center directors don't have to be residents, VA regional office directors don't have to be residents of the State. There is no job that I'm aware of in the Federal Government other than these jobs that require a State residency requirement.

And I'm not an attorney, but I would argue that that residency requirement, on its face, is unconstitutional.

Thank you, Mr. Chairman.

[The prepared statement of Mr. Drach appears on p. 246.]

Mr. HAYWORTH. Mr. Drach, we thank you and we shall take very seriously your comments.

Turning to my colleagues on the panel for questions or comments. Let's go to the ranking subcommittee member, Mr. Filner.

Mr. FILNER. Thank you, Mr. Chairman. I found all the remarks very helpful and as we go to the next stage, they'll all be taken into account and I suspect many of them incorporated in the final bill.

I want to assure Mr. Hubbard that your personnel recommendations will be fully considered in the Gore Administration.

Mr. HAYWORTH. Thank you, Mr. Filner.

Mr. FILNER. And I challenge the Chair to make the same statement.

Mr. HUBBARD. I'm certainly happy to have unanimity. We may have one glaring departure, though, on just whose Administration it may be.

Mr. WEIDMAN. If I may suggest, though, Mr. Filner, the proper term is General Uncle Matthew.

Mr. FILNER. Thank you, Cousin Rick. I was going to ask if you had heard Mr. Borrego's testimony yesterday, in which he made the statement that Ron quoted, and I'm glad you specifically dealt with that.

I don't know if you've heard that testimony or you want to comment on it. The Labor Department came out pretty strongly against this legislation for reasons which I didn't quite fully understand, except throwing out such things as you're going to put a disabled veteran on the street.

I was wondering if—Ron already commented on it—if anybody else wanted to directly comment on that.

Mr. WEIDMAN. My comment, when Mr. Borrego went through that whole area, all I could think of was billboards all over the country, "DVOPs Held Hostage Day 74." And, frankly, DVOPs resent it. They know what prevents them from doing the job, which is management that is concentrated on people processing, on the whole process and not on the results.

You go back to California, to Arizona, to Texas and talk to DVOPs in the office and you will find now, because there isn't a weighted a scoring system and there aren't rewards for doing a great job and there aren't sanctions for doing a terrible job, if they're not seeing veterans at their desk, they won't let them go out and do those other 14 job descriptions that are in there or go

to visit the employers, et cetera. They'll keep them in the office and process people every time.

You can't blame them, in some ways, because they're trying to get through with too few staff, but I just want to say that the Assistant Secretary knows that and to go out and say, not just yesterday, but repeatedly, in verbal attacks, that Vietnam Veterans of America is out to take away DVOP jobs and spread that rumor is outrageous.

We've met with them and asked them to come to our national board meeting and has this out. But it's cropping up all over the country and it's just not right. A, it's not true, and, B, it is a rumor that is inordinately destructive to the very constructive bipartisan effort that this committee has engaged with and with every single stakeholder that anybody could think of in this process.

You all have done this right way and continue to do this the right way and to try and polarize this issue is simply not appropriate. One.

Two is that I would follow-up on that 250 million suggestion as the authorization for the DVOP/LVER program, is that we work together to get—once we get accountability in the system, is to reach out, work with the unions, work with everybody, to get a significant increase for next year. That would make an enormous difference.

Mr. FILNER. Thank you. You didn't see, while you were talking, a DVOP was shaking his head yes.

Did you want to add, Mr. Boland, anything? It looks like you are anxious to.

Mr. BOLAND. I would like to take just a moment to expand upon my reference earlier to innovation or restrictions to innovation, which I think are reflected in the spirit of the testimony yesterday that you're talking about.

I have a vision that I have proposed to really get serious about a one-stop-shop service delivery system for veterans and when you look around at what's out there, the Workforce Investment Act and what it's already created in terms of community-based synergism of human service delivery, that's the place to plant the flagpole, I think.

And when you look around at all the other pieces, you've got veterans this over there and veterans that over there and the medical stuff is over there and everything is somewhere. Why couldn't we just merge this in together with the veterans employment services and these other services, service officers and so on at one place, where the veteran and the family comes in and you have a single point of entry to go out into all of these systems.

We can do that. It's within our capability, pretty much within existing resources and certainly with the technology capabilities that have already been talked about, why can't a veteran go to one place and be talking to a benefit counselor who is not only able to help with jobs and training for jobs, but to counsel that veteran on the full spectrum of everything else that they're entitled to and they need.

And I would argue, give me a veteran who is looking for a job, and I work with lots of homeless veterans and other at-risk veter-

ans, I've got a veteran that needs something else and that something else under today's circumstances is somewhere else.

Mr. FILNER. I appreciate that clarity of vision. I've been trying to get some demonstration of that in particular cities—to just try it for a day.

But we had a discussion on stand-downs yesterday and as I thought about it, that's one of the prime reasons for success. We brought everything together.

When you have, say, a homeless person, who, because of rotting teeth, won't open his mouth and, therefore, won't go anywhere, when you have the medical care there and you have the counseling there and you have the hair-cutting and you have the judge who can take care of the warrants, that person is then equipped to actually do some counseling about jobs and do it in a way that makes some sense.

So I appreciate that clarity of vision. I hope the transcript is accurate, because I want to take that and use that with our VA. Thank you, sir. Thank you all.

Mr. HAYWORTH. Thank you, Mr. Filner. The gentleman from Illinois.

Mr. EVANS. Thank you, Mr. Chairman. I don't really have any questions. I just want to salute this panel. These are can do people. We know that if given the resources and the wherewithal, that they can produce great results, as they have done in Wisconsin or throughout the whole United States.

So I'm just very pleased that you're here today. We look forward to working with you in the future and make these programs even more effective than they are now.

Thank you, Mr. Chairman.

Mr. HAYWORTH. Thank you, sir. The gentleman from Texas.

Mr. REYES. Thank you, Mr. Chairman. I also would thank the panel and those that have spoken very strongly and passionately on behalf of our veterans.

I did want to make one clarification, because it was my impression yesterday that Mr. Borrego was concerned about the language of the bill, that it specifically required that a veteran be hired.

So if we can check that and make that change or adjustment, I think it would protect ultimately the veterans.

I thank the panel. Thank you, Mr. Chairman.

Mr. HAYWORTH. Thank you, sir. And let us also offer our thanks to the panel and we appreciate you coming and whatever challenges or motor skills with pouring water and the like, I think completely are eradicated and perhaps were better left unsaid, but then, again, as the Vice Chairman, my job is, as chairman of vice, to bring it up again.

Although it was not a sin to do so, so don't worry about that. We thank the panel.

Mr. WEIDMAN. With voc rehab, I will be able to recover.

Mr. HAYWORTH. That's proof of performance, there we have it. Great. Thank you.

As we call up our friends from the third panel, we would note that we have Mr. James M. Magill, Director of the National Employment Policy for the Veterans of Foreign Wars; Mr. Geoff Hopkins, the Associate Legislative Director for the Paralyzed Veterans

of America; and Mr. John Lopez, Chairman of the Association of Service Disabled Veterans, accompanied by Mr. Joseph Forney, the Assistant Coordinator of Disabled Veterans Business Enterprise.

We want to welcome and thank all of you gentlemen. We are sure your testimony will be as intriguing and as enlightening as the two preceding panels.

With that, we would say good morning to Mr. Magill and we welcome your testimony.

STATEMENT OF JAMES N. MAGILL, DIRECTOR, NATIONAL EMPLOYMENT POLICY, VETERANS OF FOREIGN WARS; GEOFF HOPKINS, ASSOCIATE LEGISLATIVE DIRECTOR, PARALYZED VETERANS OF AMERICA; AND, JOHN LOPEZ, CHAIRMAN, ASSOCIATION OF SERVICE DISABLED VETERANS, ACCOMPANIED BY JOSEPH FORNEY, ASSISTANT COORDINATOR, DISABLED VETERANS BUSINESS ENTERPRISE

STATEMENT OF JAMES N. MAGILL

Mr. MAGILL. Good morning. What I would like to do is just start briefly with H.R. 3256, the Veterans' Right to Know Act.

It is only through the efforts of this committee, the full committee and, in fact, the Congress that veterans do enjoy a multitude of entitlements and benefits.

It is a shame that all the work that you've done is not available to all veterans only because of the fact that they do not know that these benefits and entitlements exist.

This is the VA's responsibility. We do acknowledge that it may be hard to get the word out to all veterans, especially those that have been out for a long period of time.

We believe that this bill will improve the exchange of information and coordination and, of course, we encourage its advancement and its swift enactment.

H.R. 4765, the 21st Century Veterans Employment and Training Act. Veterans deserve and have earned an employment program specially dedicated to them. Veterans have a system today and while it's not broken, we think it can be fixed and it can be improved.

As my written statement indicates, H.R. 4765 does address the problems that exist and, if implemented as the legislation is intended, should improve that program.

We would point out, though, and it was mentioned before on the previous panel, that we do believe that the responsibility in providing employment to our Nation's veterans has to be maintained as a national effort. The bottom line has to stop with the Federal Government.

The key word, as we see it, is accountability. That is something I think that has not been experienced before and this legislation does address that and for that we are grateful.

We do have some concerns, but they are not insurmountable, in our view. Some of them have already been mentioned.

The bill does provide that the deputy ASVET be a veteran does not address the ASVET be a veteran. We would encourage the committee to amend the bill to require that the ASVET be also a veteran.

The supervisory positions are stated "to the extent practicable," we heard this before, we agree that there are enough veterans out there that that language could be struck.

The bill eliminates the job descriptions of DVOPs and LVERs during this program. We question the wisdom of that in a demonstration program where the job descriptions now are covered under Title 38 U.S. Code. If they are left up to the States, we question that they wouldn't—there wouldn't be a continuity with all the States, when there were transfers.

In closing my comments, I would like to touch on something that Mr. Drach mentioned, and that was the elimination of the section, and I can't remember what the section it was, that would exclude veterans' benefits and entitlements.

We have been working on a situation with a member of the Veterans of Foreign Wars that lives in New York State. HUD has an assisted senior living program.

HUD includes VA disability comp in their income verification. This particular veteran receives social security and VA comp. If he was not in receipt of VA comp, he could have been accepted into the program. But because HUD does count the compensation, he and his wife could not go into the program.

Even the IRS does not include VA compensation. So we would also ask that the committee look into this and, if at all possible, reinsert that language, that VA benefits and entitlements are not to be taken into consideration for income verification.

With that, I conclude my statement.

[The prepared statement of Mr. Magill appears on p. 249.]

Mr. HAYWORTH. Mr. Magill, we thank you. For purposes of information and clarification, the section to which you refer, section 2013.

Mr. MAGILL. Thank you. I apologize for not having it.

Mr. HAYWORTH. It's quite all right and we have completed that in the record and it will be shown there, and that's part of the purpose of the hearing and having the chance to have this type of interaction. So we thank you for the ideas and we're happy to take those under consideration.

Mr. Hopkins, good morning.

STATEMENT OF GEOFF HOPKINS

Mr. HOPKINS. Good morning, sir. Mr. Chairman, Ranking Democratic Member Filner, and members of the subcommittee. The Paralyzed Veterans of America is honored to be invited to testify today concerning H.R. 4765, the 21st Century Veterans Employment and Training Act.

PVA is an organization of veterans who are catastrophically disabled by spinal cord injury or disease. Approximately 89 percent of our membership is unemployed.

In these times of statistical full employment, disabled Americans and veterans in particular are still having difficulty finding employment. Just last Friday, employment was reported to be at 96 percent for the month of May.

This difficulty in finding employment is often due to barriers in the workplace, false perceptions of the potential cost to employers

of hiring people with disabilities, and the perceptions many people still have about veterans.

Veterans have earned and deserve consideration within the workforce. It is hoped that this bill would begin to break down these barriers and promise much deserved opportunities in the workplace.

There have been concerns within the veterans community regarding the race to simplify, computerize and decentralize the employment system in this country. Electronic-based self-service systems and one-stop career service centers are but two examples of these changes.

The question has always been how to continue to provide priority services to eligible veterans while improving the employment service for veterans, as well as non-veterans.

Veterans' service organizations realize the tremendous benefits provided by electronic systems, especially the advantages to disabled veterans. These systems provide a method to overcome the many mobility barriers that still exist in our society, despite the successes of the Americans with Disabilities Act.

Although PVA applauds efforts of the Secretary of Labor to implement this modernization plan, the issue of priority of service for veterans remains. The requirement to provide job opportunities to veterans first through DVOPs and LVERs at the employment service is in many ways contradictory to the employment service's role of getting individuals employed.

But the desire to provide services to as many as possible cannot overshadow the attention to the specialized needs of veterans, especially disabled veterans.

Many techniques of maintaining this priority have been discussed. Unfortunately, any method of blocking access to a job opportunity, reserving it initially for veterans, works against efficiency.

Mr. Chairman, PVA is cognizant of these competing demands and admits that no simple answer exists. But the importance of veterans priorities is foremost, and cannot be understated.

PVA is glad to see that H.R. 4765 reaffirms the priority of service for qualified veterans. But more welcome is the specification of means to enforce these rights and the allocation of personnel to support this enforcement.

In addition, the affirmative steps required of Federal contractors in this measure should help bring more disabled veterans into the workforce.

This is only a first step, a step that, if not aggressively enforced, will be ignored, as have so many such mandates in the past.

We look forward to the subcommittee conducting oversight hearings with the Department of Labor to ensure that these mandates are not ignored.

We welcome the modified standards of performance required of the Secretary of Labor for comprehensive accountability. Perhaps the most welcome change brought about by this bill, is the weighted approach to job placement. This weighted emphasis on placing severely disabled veterans and other veterans facing barriers to employment, may help to prevent some forms of cherry-picking.

Though it is unpleasant to accept, when someone's job is at risk, human nature may cause employment specialists to select the easy placement over the one requiring greater effort.

It is our sincere hope that the Secretary will make this weighting advantageous enough so that DVOPs and LVERs will not only place severely disabled veterans, but also aggressively reach out to severely disabled individuals, allowing them to reap the benefits of our booming economy through full-time employment.

PVA strongly supports the creation of the demonstration program identified in Section 3 of this measure. However, we hope that if the advantages from this program are fully demonstrated, that they will be implemented throughout the system rather than waiting the 5-year conclusion of the demonstration program.

We are also cautiously encouraged by the plan for virtual one-stop veterans' job service offices. The ability of a disabled veteran, who may have difficulty leaving his or her home, to have access to employment services provided can be a tremendous benefit.

Although the loss of veteran's priority of service at the one-stop centers has always been a fear of VSO's, we believe the Department of Labor and Veterans' Employment and Training Services will make a good faith effort to ensure that priority of service at one-stop centers exists in more than name only.

We look to this subcommittee to ensure that this effort is indeed successful.

H.R. 4765 is an evolutionary step in the veterans employment system. We do not see this as an end, but rather as one more step in helping our veterans gain the opportunity for full employment.

I would like to thank the subcommittee for your efforts to involve veterans and veterans' service organizations in developing this legislation.

PVA has submitted testimony for the record regarding H.R. 3256, the Veterans' Right to Know Act of 1999, and I'd be happy to answer any questions you may have on either testimony.

Thank you.

[The prepared statement of Mr. Hopkins appears on p. 252.]

Mr. HAYWORTH. We thank you, Mr. Hopkins. Mr. Lopez.

STATEMENT OF JOHN LOPEZ

Mr. LOPEZ. Good morning, distinguished members of the Congress. Thank you for this opportunity to appear before this committee.

With your permission, I would ask to submit my testimony for the record, to read a summary of that testimony, and to answer any questions the members may have.

Mr. HAYWORTH. It is so ordered. We thank you.

Mr. LOPEZ. In the veterans' vernacular, with H.R. 4765, you did good. Elements of the 21st Century Veterans Employment and Training Act are vastly overdue. Accountability and measurement of performance should be standard provisions of all legislative programs, so as to enable the Congress to respond and initiate viable solutions to our Nation's needs.

The application of analytical techniques to resolving the complex needs of our unemployed, disadvantaged, and/or disabled veterans is most appropriate.

Demonstration programs are equally appropriate and overdue. Many years of vacillating effectiveness in the veterans employment programs is ample notice that new strategies are necessary and the establishment of stakeholders' advisory panels should contribute greatly to realistic and efficacious programming of services.

The provisions in the bill for overcoming the presence requirements for veteran job applicants are also very appropriate. In light of the electronic "virtual everything," applications in our society, our technology is moving very rapidly and will meet the needs of the disabled veteran, the 26 million veterans, and the total population.

The internet and its attendant dot-coms are making access to employment opportunities and case management for individual veterans a practical reality. In the case of disabled veterans, it is more probable that information and telecommunications applications would be of greater value than physical centers, especially for disabled persons, where access will always be an issue.

As the members well know, the tragedy of unemployment is very real to our Nation's disabled veterans. Nationwide unemployment is estimated to be at four percent or lower for the general population. However, 45 percent of the employable disabled persons in our Nation are unemployed, and that's the "employable" persons.

Included in this number are service disabled veterans and those veterans disabled by life experience. ASDV also feels, as in previous testimony you received from Rick Weidman, that there is a problem to attacking the hard core of our unemployment problem; people not only with severe disabilities, as has been pointed out, but people with bad employment histories, people whose backgrounds and historical performance in life will not make them employable no matter what you do.

So changing the bureaucracy, passing new legislation, all of these things that are good, will not make a difference in the history of an individual that has been convicted of assault, or substance abuse. Employers will always mark that characteristic and will always keep it in consideration, as do community groups: Mothers Against Drunk Driving, people against drugs, and people who pursue individuals who are convicted of crimes.

They will always be present to challenge any attempt to bring people with such characteristics, out of the very bottom and into employment.

Consequently, ASDV agrees that, sure, we can make these changes in the bureaucracy and that legislation you have initiated is excellent. However, we request the committee and the 106th United States Congress continue its exemplary record of legislating resources to meet the needs of the disabled veteran by seeking other available resources and integrating them into a coordinated strategy for productive and positive outcomes.

One of the sources is the Javit's-Wagner-O'Day Act, Public Law 92-38, (JWOD Act) which authorized the application of Federal contracts to employ and train the disabled; the hard core of the unemployed veteran community.

By direction and/or resolution, the committee and the Congress can immediately establish a national program that can substan-

tially resolve the need of disabled veterans for real employment and job training opportunities.

We urge this committee to direct the President's Committee for the Employment of the Blind and Severely Handicapped to establish a national agency with the same authority as its two existing national agencies. Such agency to apply resources to the provision of actual employment and training opportunities for disabled veterans.

Together with the previously enacted Public Law 106-50, the Veterans' Entrepreneurship Act, a self-employment resource for veterans, the inclusion of a disabled veterans program in the JWOD Act, and the enactment of the 21st Century Veterans Employment and Training Act, this committee and the 106th U.S. Congress will have set a new standard for commitment to those persons that sacrificed for the freedom and prosperity of the world.

I am most thankful that I witnessed your service to our Nation and that I could share in some way in your achievement.

Thank you for your attention.

[The prepared statement of Mr. Lopez appears on p. 256.]

Mr. HAYWORTH. Mr. Lopez, we thank you. We thank you for bringing Mr. Forney along to complete the panel. Good to have you here today, sir.

I would just simply say to your last statement, and to all those who have served and now continue to serve in a different role, you, sir, and the others represented are those who serve with distinction and we merely try to implement in law some of the good suggestions that you offer us, and you've done so today.

I'll turn to other members of the panel for any questions or comments.

If you'd yield for just a second, I'm working without a teleprompter, and that's the equivalent of working without a net.

Mr. Peter Gaytan is here from AMVETS and he has submitted testimony for the record. I just wanted to say that he is here, as well, and representing AMVETS and we are grateful, Peter, that you are here with us today.

With that, we turn to our friend from California.

Mr. FILNER. I just want to thank all the panelists. We've had very specific and very good suggestions from everybody and I appreciate the wealth of experience you all have in giving us the benefit of that today. Thank you.

Mr. HAYWORTH. Thank you, sir. The gentleman from Illinois?

Mr. EVANS. No questions.

Mr. HAYWORTH. And my friend from Texas, no questions. Well, there is no question that we will take under very active consideration the constructive criticisms and the good words you've had to say and we very much appreciate your testimony, as well as the testimony of the previous two panels.

With that, this hearing of the subcommittee is adjourned.

[Whereupon, at 10:44 a.m., the subcommittee was adjourned.]

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APPENDIX

I

106TH CONGRESS
2D SESSION

H. R. 4765

To amend title 38, United States Code, to improve employment and training services provided to veterans and disabled veterans by requiring the use of measurable performance outcomes in an era of electronic-based self services and one-stop career service centers.

IN THE HOUSE OF REPRESENTATIVES

JUNE 27, 2000

Mr. QUINN (for himself, Mr. FILNER, Mr. STUMP, and Mr. EVANS) introduced the following bill; which was referred to the Committee on Veterans' Affairs

A BILL

To amend title 38, United States Code, to improve employment and training services provided to veterans and disabled veterans by requiring the use of measurable performance outcomes in an era of electronic-based self services and one-stop career service centers.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS; REF-**
4 **ERENCES TO TITLE 38, UNITED STATES CODE.**

5 (a) SHORT TITLE.—This Act may be cited as the
6 “21st Century Veterans Employment and Training Act”.

1 (b) TABLE OF CONTENTS.—The table of contents of
 2 this Act is as follows:

- Sec. 1. Short title; table of contents; references to title 38, United States Code.
- Sec. 2. Priority of service for veterans in Federal employment and training programs.
- Sec. 3. Modernization of veterans employment and training services.
- Sec. 4. Committee to raise employer awareness of skills of veterans and benefits of hiring veterans.
- Sec. 5. Sense of Congress commending veterans service organizations.
- Sec. 6. Study on economic benefits to the United States of long-term sustained employment of veterans.

3 (c) REFERENCES TO TITLE 38, UNITED STATES
 4 CODE.—Except as otherwise expressly provided, whenever
 5 in this Act an amendment or repeal is expressed in terms
 6 of an amendment to, or repeal of, a section or other provi-
 7 sion, the reference shall be considered to be made to a
 8 section or other provision of title 38, United States Code.
 9 **SEC. 2. PRIORITY OF SERVICE FOR VETERANS IN FEDERAL**
 10 **EMPLOYMENT AND TRAINING PROGRAMS.**

11 (a) VETERANS' EMPLOYMENT AND TRAINING AS-
 12 SISTANCE.—

13 (1) IN GENERAL.—Chapter 42 is amended by
 14 adding at the end the following new section:

15 **“§ 4215. Priority of service for veterans in Federal**
 16 **employment and training programs**

17 **“(a) ENTITLEMENT TO PRIORITY OF SERVICE.—A**
 18 covered person is entitled to priority of service under any
 19 qualified employment training program if the person oth-
 20 erwise meets the eligibility requirements for participation
 21 in such program.

1 “(b) ADMINISTRATION OF PROGRAMS AT STATE AND
2 LOCAL LEVELS.—(1) An entity of a State or a political
3 subdivision of the State that administers or delivers serv-
4 ices under a qualified employment training program
5 shall—

6 “(A) provide information and effective referral
7 assistance to covered persons regarding benefits and
8 services that may be obtained through other entities
9 or service providers; and

10 “(B) ensure that each covered person who ap-
11 plies to or who is assisted by such a program is in-
12 formed of the employment-related rights and bene-
13 fits to which the person is entitled under this sec-
14 tion.

15 “(2) Each council, board, or advisory body of a State
16 or a political subdivision of the State that is established
17 in support of a qualified employment training program
18 shall include representation from the veterans community,
19 particularly from veterans service organizations.

20 “(c) ANNUAL REPORT.—By not later than December
21 31, 2001, and each December 31 thereafter, the Secretary
22 of Labor, following review and comment by the Advisory
23 Committee on Veterans Employment and Training, shall
24 submit to the Committees on Veterans’ Affairs of the
25 House of Representatives and Senate a report. The report

1 shall evaluate whether covered persons are receiving pri-
2 ority of service and are being fully served by qualified em-
3 ployment training programs, and whether the levels of
4 service of such programs are in proportion to the incidence
5 of representation of veterans in the labor market, includ-
6 ing within groups targeted by such programs, if any.

7 “(d) DEFINITIONS.—As used in this section:

8 “(1) The term ‘covered person’ means any of
9 the following individuals:

10 “(A) A veteran who has a service-con-
11 nected disability.

12 “(B) A veteran who served on active duty
13 in the Armed Forces during a war or in a cam-
14 paign or expedition for which a campaign badge
15 has been authorized.

16 “(C) The spouse of any of the following
17 persons:

18 “(i) Any person who died of a service-
19 connected disability.

20 “(ii) Any member of the Armed
21 Forces serving on active duty who, at the
22 time of application for assistance under
23 this section, is listed, pursuant to section
24 556 of title 37 and regulations issued
25 thereunder, by the Secretary concerned in

1 one or more of the following categories and
2 has been so listed for a total of more than
3 90 days: (I) missing in action, (II) cap-
4 tured in line of duty by a hostile force, or
5 (III) forcibly detained or interned in line of
6 duty by a foreign government or power.

7 “(iii) Any person who has a total dis-
8 ability permanent in nature resulting from
9 a service-connected disability.

10 “(iv) A veteran who died while a dis-
11 ability so evaluated was in existence.

12 “(2) The term ‘qualified employment training
13 program’ means any work force preparation, devel-
14 opment, or delivery program or service that receives
15 federal funding, and includes the following:

16 “(A) Any such program or service that
17 uses technology to assist individuals to access
18 work force development programs (such as job
19 and training opportunities, labor market infor-
20 mation, career assessment tools, and related
21 support services).

22 “(B) Any such program or service under
23 the public employment service system, one-stop
24 career centers, the Workforce Investment Act of
25 1998, a demonstration or other temporary pro-

1 gram, and those programs implemented by
2 States or local service providers based on Fed-
3 eral block grants.

4 “(C) Any such program or service that is
5 a work force development program targeted to
6 specific groups.

7 “(3) The term ‘priority of service’ means, with
8 respect to any qualified employment training pro-
9 gram, that a covered veteran shall be given priority
10 over nonveterans of the employment and training
11 services provided under that program notwith-
12 standing any priority list, directive, rule, regulation,
13 or other order from any Department or agency of
14 the United States.”.

15 (2) CLERICAL AMENDMENT.—The table of sec-
16 tions at the beginning of chapter 42 is amended by
17 inserting after the item relating to section 4214 the
18 following new item:

“4215. Priority of service for veterans in Federal employment and training pro-
grams.”.

19 (b) EMPLOYMENT OF VETERANS WITH RESPECT TO
20 FEDERAL CONTRACTS.—

21 (1) IN GENERAL.—Section 4212(a) is amended
22 to read as follows:

23 “(a)(1) Any contract in the amount of \$25,000 or
24 more entered into by any department or agency of the

1 United States for the procurement of personal property
2 and nonpersonal services (including construction) for the
3 United States, shall contain a provision requiring that the
4 party contracting with the United States take affirmative
5 action to employ and advance in employment qualified cov-
6 ered veterans. This section applies to any subcontract en-
7 tered into by a prime contractor in carrying out any such
8 contract.

9 “(2) In addition to requiring affirmative action to
10 employ such qualified covered veterans under such con-
11 tracts and subcontracts and in order to promote the imple-
12 mentation of such requirement, the Secretary of Labor
13 shall prescribe regulations requiring that—

14 “(A) each such contractor undertake in each
15 such contract to list all of its employment openings
16 immediately with the appropriate employment serv-
17 ice delivery system (as defined in section 4101(7) of
18 this title), including local employment service offices,
19 one-stop career centers under the Workforce Invest-
20 ment Act of 1998, other appropriate service delivery
21 points, or America’s Job Bank (or any additional or
22 subsequent national computerized job bank estab-
23 lished by the Department of Labor), except that the
24 contractor may exclude openings for positions which

1 are to be filled from within the contractor's organi-
2 zation and positions lasting three days or less;

3 “(B) each such employment service delivery sys-
4 tem shall give such qualified covered veterans pri-
5 ority in referral to such employment openings; and

6 “(C) each such employment service delivery sys-
7 tem shall provide a list of such employment openings
8 to private entities or organizations under contract
9 with the Secretary under section 4103(e) of this
10 title, and to States, political subdivisions of States,
11 or qualified organizations or entities competing
12 under section 4103(d)(5) of this title to furnish em-
13 ployment and training services under this chapter.

14 “(3) As used in this section:

15 “(A) The term ‘covered veteran’ means any of
16 the following veterans:

17 “(i) Disabled veterans.

18 “(ii) Veterans who served on active duty in
19 the Armed Forces during a war or in a cam-
20 paign or expedition for which a campaign badge
21 has been authorized.

22 “(iii) Veterans who, while serving on active
23 duty in the Armed Forces, participated in a
24 United States military operation for which an
25 Armed Forces service medal was awarded pur-

1 suant to Executive Order 12985 (61 Fed. Reg.
2 1209).

3 “(B) The term ‘qualified’, with respect to an
4 employment position, means having the ability to
5 perform the essential functions of the position with
6 reasonable accommodation.”.

7 (2) CONFORMING AND TECHNICAL AMEND-
8 MENTS.—Section 4212 is amended—

9 (A) by striking subsection (b) and redesignig-
10 nating subsections (c) and (d) as subsections
11 (b) and (c), respectively;

12 (B) in subsection (b), as so redesignated—

13 (i) by striking “filed pursuant to sub-
14 section (b) of this section” and inserting
15 “relating to this section filed pursuant to
16 section 4216 of this title”;

17 (ii) by striking “suitable”; and

18 (iii) by striking “subsection (a)(2) of
19 this section” and inserting “subsection
20 (a)(2)(B)”; and

21 (C)(i) in paragraph (1) of subsection (c),
22 as so redesignated—

23 (I) in the matter preceding subpara-
24 graph (A), by striking “subsection (a) of

1 this section” and inserting “subsection
2 (a)”;

3 (II) by amending subparagraphs (A)
4 and (B) to read as follows:

5 “(A) the number of employees in the work force
6 of such contractor, by job category and hiring loca-
7 tion, and the number of such employees, by job cat-
8 egory and hiring location, who are qualified covered
9 veterans;

10 “(B) the total number of new employees hired
11 by the contractor during the period covered by the
12 report and the number of such employees who are
13 qualified covered veterans; and”;

14 (ii) in paragraph (2) of such subsection, by
15 striking “paragraph (1) of this subsection” and
16 inserting “paragraph (1)”.

17 (3) EFFECTIVE DATE.—The amendments made
18 by this subsection shall apply with respect to con-
19 tracts entered into on or after the date that is 60
20 days after the date of the enactment of this Act.

21 (c) EMPLOYMENT WITHIN THE FEDERAL GOVERN-
22 MENT.—

23 (1) IN GENERAL.—The second sentence of sec-
24 tion 4214(a) is amended—

1 (A) by inserting “, competent” after “ef-
2 fective”; and

3 (B) by striking “major” and inserting
4 “uniquely qualified”.

5 (2) TECHNICAL AMENDMENTS.—(A) Section
6 4214(b)(1) is amended by striking “readjustment”
7 and inserting “recruitment”.

8 (B) Section 4214(g) is amended by striking
9 “qualified” the first place it occurs and all that fol-
10 lows through “era” and inserting “qualified covered
11 veterans (as described in section 4212(a) of this
12 title)”.

13 (d) ENFORCEMENT OF VETERANS’ EMPLOYMENT
14 RIGHTS AND BENEFITS.—

15 (1) IN GENERAL.—Chapter 42 as amended by
16 subsection (a)(1), is further amended by adding at
17 the end the following new section:

18 **“§ 4216. Enforcement of veterans’ employment rights**
19 **and benefits**

20 “(a) ASSISTANCE OF SECRETARY OF LABOR.—The
21 Secretary of Labor (through the Assistant Secretary of
22 Labor for Veterans’ Employment and Training) shall pro-
23 vide assistance to any person or entity with respect to the
24 requirements of sections 4212 (relating to United States

1 contracts) and 4215 (relating to federally funded work
2 force programs and services) of this title.

3 “(b) COMPLAINT.—(1) An individual described in
4 section 4212(a) or in section 4215(a) of this title may file
5 a complaint with the Secretary of Labor if the individual
6 believes that—

7 “(A) the individual is entitled to rights or bene-
8 fits under section 4212 or 4215; and

9 “(B) an entity with obligations under either of
10 such sections has failed to comply or refuses to com-
11 ply with the provisions of such sections.

12 “(2) Such complaint shall be in writing, be in such
13 form as the Secretary of Labor may prescribe, include the
14 name and address of the party against whom the com-
15 plaint is filed, and contain a summary of the allegations
16 that form the basis for the complaint.

17 “(3) A complaint may only be filed under paragraph
18 (1) within 90 days after the date of a failure or refusal
19 described in paragraph (1)(B).

20 “(c) INVESTIGATION OF COMPLAINT.—(1) The Sec-
21 retary of Labor shall promptly investigate the complaint
22 filed under subsection (b). If the Secretary of Labor deter-
23 mines as a result of the investigation that the action al-
24 leged in such complaint occurred, that Secretary shall at-
25 tempt to resolve the complaint by making reasonable ef-

1 forts to ensure that the party named in the complaint
2 complies with the provisions of section 4212 or 4215, as
3 appropriate.

4 “(2) If, within 90 days after the date on which the
5 complaint is filed, the efforts to resolve the complaint are
6 unsuccessful, the Secretary of Labor shall notify the indi-
7 vidual who submitted the complaint of—

8 “(A) the results of the investigation; and

9 “(B) the individual’s rights.

10 “(d) ACTION FOR RELIEF.—(1) An individual who
11 receives from the Secretary of Labor a notification under
12 subsection (c) relating to a complaint may request that
13 Secretary to refer the complaint to the Attorney General
14 of the United States. If the Attorney General is reasonably
15 satisfied that the person on whose behalf the complaint
16 is referred is entitled to the rights or benefits sought, the
17 Attorney General may appear on behalf of, and act as at-
18 torney for, the person on whose behalf the complaint is
19 submitted and commence an action for relief for such per-
20 son in any United States district court.

21 “(2) An individual may commence an action for relief
22 with respect to a complaint if that individual—

23 “(A) has chosen not to file a complaint under
24 subsection (b);

1 “(B) has chosen not to request that the Sec-
2 retary of Labor refer the complaint to the Attorney
3 General under paragraph (1); or

4 “(C) has been refused representation by the At-
5 torney General with respect to the complaint under
6 such paragraph.

7 “(e) REMEDIES.—(1) In any action under this sec-
8 tion, the court may award relief as follows:

9 “(A) The court may require the entity to com-
10 ply with the provisions of section 4212 or 4215 of
11 this title, as appropriate.

12 “(B) The court may require the entity to com-
13 pensate the individual for any loss of wages or bene-
14 fits suffered by reason of such entity’s failure to
15 comply with the such provisions.

16 “(C) The court may require the entity to pay
17 the individual an amount equal to the amount re-
18 ferred to in clause (ii) as liquidated damages, if the
19 court determines that the entity’s failure to comply
20 with the provisions of such section was willful.

21 “(2) Any compensation under subparagraph (B) or
22 (C) of paragraph (1) shall be in addition to, and shall not
23 diminish, any of the other rights and benefits provided for
24 in such section.

1 “(3) The United States and a State shall be subject
2 to the same remedies, including prejudgment interest, as
3 may be imposed upon any private entity under this sec-
4 tion.

5 “(f) FEES.—In any action or proceeding to enforce
6 a provision of section 4212 or 4215 of this title by an
7 individual under subsection (d)(2) who obtained private
8 counsel for such action or proceeding, the court may
9 award any such individual who prevails in such action or
10 proceeding reasonable attorney fees, expert witness fees,
11 and other litigation expenses.

12 “(g) EQUITY POWERS.—The court may use its full
13 equity powers, including temporary or permanent injunc-
14 tions, temporary restraining orders, and contempt orders,
15 to vindicate fully the rights or benefits of individuals pur-
16 suant to this section.

17 “(h) STANDING.—An action under this section may
18 be initiated only by an individual claiming rights or bene-
19 fits under section 4212 or 4215 of this title, not by any
20 other entity with obligations under such section.

21 “(i) RESPONDENT.—In any such action, only an enti-
22 ty with obligations under section 4212 or 4215, as the
23 case may be, shall be a necessary party respondent.

1 “(j) INAPPLICABILITY OF STATE STATUTE OF LIMITATIONS.—No State statute of limitations shall apply to
2 any proceeding pursuant to this section.”.

3 (2) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 42, as amended by
4 subsection (a)(2), is further amended by inserting
5 after the item relating to section 4215 the following
6 new item:
7
8

“4216. Enforcement of veterans’ employment rights and benefits.”.

9 (3) EFFECTIVE DATE.—The amendments made
10 by this subsection shall apply with respect to complaints filed on or after the date that is 60 days
11 after the date of the enactment of this Act.
12

13 (e) ADDITIONAL PERSONNEL.—The Secretary of
14 Labor is authorized to allocate an additional 10 full-time
15 equivalent positions from the Employment and Training
16 Administration to the Veterans’ Employment and Training
17 Service to carry out chapter 42 of title 38, United
18 States Code, as amended by this Act.

19 **SEC. 3. MODERNIZATION OF VETERANS EMPLOYMENT AND**
20 **TRAINING SERVICES.**

21 (a) DEMONSTRATION PROGRAM TO MODERNIZE EMPLOYMENT, TRAINING, AND PLACEMENT SERVICES.—

22 (1) IN GENERAL.—Chapter 41 is amended by
23 adding at the end the following new section:
24

1 **“§4112. Demonstration program to modernize vet-**
 2 **erans employment, training, and place-**
 3 **ment services**

4 “(a) ESTABLISHMENT OF 5-YEAR DEMONSTRATION
 5 PROGRAM.—(1) During the five-fiscal-year period begin-
 6 ning fiscal year 2002, the Secretary shall carry out the
 7 provisions of this chapter under the demonstration pro-
 8 gram established under this section to improve and mod-
 9 ernize employment, training, and placement services under
 10 this chapter. The Secretary shall carry out the demonstra-
 11 tion project through the Assistant Secretary of Labor for
 12 Veterans’ Employment and Training.

13 “(2) Sums authorized to be appropriated to carry out
 14 this chapter under section 4106 of this title shall, for such
 15 five-fiscal-year period, be made available only to carry out
 16 the demonstration program under this section. In no case
 17 may the aggregate amount of funds made available to the
 18 Secretary under subsections (a) through (d) of section
 19 4106 of this title for fiscal year 2001 and each succeeding
 20 fiscal year be less than the sum of—

21 “(A) such aggregate amount made available to
 22 the Secretary for fiscal year 2000, and

23 “(B) amounts that, by reason of law or regula-
 24 tion, are attributable to the increases in salaries of
 25 individuals providing employment and training serv-

1 ices under such chapters from fiscal year 2000 up
2 to the fiscal year involved.

3 “(3)(A) The Secretary shall establish a panel within
4 the Advisory Committee on Veterans Employment and
5 Training under section 4110 of this title comprised of
6 State public employment service officials, including dis-
7 abled veterans’ outreach program specialists and local vet-
8 erans’ employment representatives. Such officials shall ad-
9 vise the Secretary on the development and implementation
10 of the demonstration program under this section with re-
11 spect to matters arising under the program at local deliv-
12 ery points in the employment service delivery system.

13 “(B) Representation on the panel of State public em-
14 ployment service officials shall consist of 7 members ap-
15 pointed from among disabled veterans’ outreach program
16 specialists, local veterans’ employment representatives,
17 State employment service agencies, and other officials that
18 the Secretary determines to be appropriate.

19 “(b) ESTABLISHMENT OF PERFORMANCE STAND-
20 ARDS AND OUTCOMES MEASURES.—(1) By not later than
21 September 30, 2001, the Assistant Secretary of Labor for
22 Veterans’ Employment and Training shall establish and
23 implement a comprehensive performance accountability
24 system to measure the performance of veterans employ-
25 ment and training staff (as defined in paragraph (3)) to

1 provide accountability of such staff to the Secretary for
2 purposes of subsection (c), and to determine compliance
3 by State public employment service agencies with the pro-
4 visions of this chapter and chapter 42 of this title.

5 “(2) Such standards and measures shall—

6 “(A) be consistent with State performance
7 measures applicable under section 136(b) of the
8 Workforce Investment Act of 1998;

9 “(B) include the core indicators of performance
10 described in subclauses (I) through (III) of section
11 136(b)(2)(A)(i) of that Act; and

12 “(C) be appropriately weighted to provide spe-
13 cial consideration for placement of (i) veterans with
14 barriers to employment, such as special disabled vet-
15 erans, and disabled veterans, and (ii) veterans who
16 enroll in readjustment counseling under section
17 1712A of this title.

18 “(3) In this section, the term ‘veterans employment
19 and training staff’ means an individual providing services
20 required under this chapter who is an employee of a State,
21 a political subdivision of a State, in a region, of the Vet-
22 erans’ Employment and Training Service, or an individual
23 under a contract to provide those services.

1 “(c) GRANT PROGRAMS.—Under the demonstration
2 program, the Secretary shall make grants to States as fol-
3 lows:

4 “(1)(A) From the applicable percentage (de-
5 scribed in subparagraph (C)) of the aggregate
6 amount of sums appropriated under subsection
7 (a)(2) for a fiscal year, the Secretary shall make
8 grants to States to provide veterans employment,
9 training, and placement programs and services
10 through employment service delivery systems in the
11 State. Such grants shall include sums for the rea-
12 sonable expenses of individuals providing such serv-
13 ices for training, travel, supplies, and costs of at-
14 tendance at the National Veterans’ Employment and
15 Training Services Institute established under section
16 4109 of this title. A grant under this paragraph is
17 hereinafter in this section referred to as a ‘base
18 grant’.

19 “(B) The Secretary shall determine the amount
20 of the base grant to a State based on (i) the funding
21 requirements for veterans employment, training, and
22 placement services demonstrated by the State on the
23 application submitted under subsection (d), and (ii)
24 the amount of funds made available to the State

1 under section 4102A(b) to the State in years pre-
2 ceding the demonstration program.

3 “(C) The applicable percentage referred to in
4 subparagraph (A) is—

5 “(i) for fiscal year 2002, 95 percent,

6 “(ii) for fiscal year 2003, 92.5 percent,
7 and

8 “(iii) for each of fiscal years 2004 through
9 2006, 90 percent.

10 “(2)(A) For each fiscal year under the dem-
11 onstration program, from amounts remaining in the
12 aggregate amount of sums appropriated under sub-
13 section (a)(2) after the application of paragraph (1),
14 the Secretary shall make grants to a State, political
15 subdivisions of the State, or qualified organizations
16 or entities to enter into contracts with the Secretary
17 to carry out employment, training, and placement
18 services. A grant under this paragraph is hereinafter
19 in this section referred to as an ‘incentive grant’.

20 “(B)(i) The amount of a incentive grant made
21 under subparagraph (A) shall be determined by the
22 Secretary based on the measures of performance
23 under subsection (b) of employment, training, and
24 placement services furnished in each State. An in-
25 centive grant may only be made to a State that the

1 Secretary determines has met a minimum standard
2 of performance (established by the Secretary) under
3 such measures.

4 “(ii) Subject to clause (iii), in determining the
5 amount of an incentive grant to a State, the Sec-
6 retary shall (I) provide greater sums to those States
7 which the Secretary determines furnished, during
8 the preceding fiscal year, the highest quality employ-
9 ment, training, and placement services based on
10 measures of performance, and (II) consider factors
11 such as prevailing economic and unemployment con-
12 ditions that affect performance of individuals pro-
13 viding employment, training, and placement services
14 in the State.

15 “(iii) In no case may the amount of an incen-
16 tive grant under this paragraph be less than the dif-
17 ference between the amount of a State’s base grant
18 as calculated in accordance with paragraph (1)(C)
19 and the amount of the State’s base grant as would
20 be calculated without regard to that paragraph.

21 “(C) In addition to amounts authorized to be
22 appropriated to carry out this chapter, there are au-
23 thorized to be appropriated annually to the Sec-
24 retary \$10,000,000 to make incentive grants under
25 this paragraph.

1 “(d) APPLICATION.—(1) A State shall prepare and
2 submit to the Secretary an application at such time, in
3 such manner, and containing such assurances and infor-
4 mation as the Secretary may require, including in the ap-
5 plication for fiscal year 2002 a proposal for a 5-year plan
6 that describes the manner in which the State shall furnish
7 employment, training, and placement services under the
8 demonstration program.

9 “(2)(A) Subject to subparagraphs (B) and (C), a
10 State may include in its application under paragraph (1)
11 for a base grant for a fiscal year a proposal to establish
12 within the State a pilot program under which the State
13 may enter into a contract with organizations or entities
14 to carry out employment, training, and placement services
15 within a designated labor market area of the State in that
16 fiscal year.

17 “(B) A proposal under subparagraph (A) shall in-
18 clude a description of the organization or entity, the num-
19 ber (if any) of qualified disabled veterans and qualified
20 veterans employed by the organization or entity, and pro-
21 posals (if any) to employ such veterans to provide employ-
22 ment, training, and placement services under the contract.

23 “(C)(i) A State may not submit more than three pro-
24 posals described in subparagraph (A).

1 “(ii) The Secretary may not approve proposals sub-
2 mitted by more than 10 States.

3 “(3) The Secretary shall approve an application sub-
4 mitted under this subsection that contains the assurances
5 and information that the Secretary requires.

6 “(e) TERMS AND CONDITIONS OF GRANTS.—(1) The
7 distribution and use of funds under a grant under sub-
8 section (c)—

9 “(A) shall be subject to such terms and condi-
10 tions as the Secretary may establish,

11 “(B) shall be subject to the continuing super-
12 vision and monitoring of the Secretary, and

13 “(C) shall not be governed by the provisions of
14 the Workforce Investment Act of 1998, the Wagner-
15 Peyser Act, or any other law, or any regulations pre-
16 scribed thereunder, that are inconsistent with this
17 section.

18 “(2) Not more than 20 percent of the funds received
19 by a State under a base grant in a fiscal year may be
20 used for administrative purposes in providing the employ-
21 ment, training, and placement services required under this
22 section.

23 “(3) Each base grant shall contain a provision requir-
24 ing the recipient of the funds to comply with the provisions
25 of this section.”.

1 (2) CLERICAL AMENDMENT.—The table of sec-
2 tions at the beginning of chapter 42 is amended by
3 inserting after the item relating to section 4214 the
4 following new item:

 “4112. Demonstration program to modernize veterans employment, training,
 and placement services.”.

5 (b) FLEXIBILITY IN STAFFING.—

6 (1) REPEAL.—Effective October 1, 2001, sec-
7 tions 4102A, 4103, 4103A, 4104, and 4104A are re-
8 pealed.

9 (2) PROVISION OF FLEXIBILITY.—Chapter 41
10 is amended by inserting after section 4102 the fol-
11 lowing new section:

12 **“§ 4103. Employment, training, and placement service**
13 **personnel**

14 “(a) ESTABLISHMENT OF POSITION OF ASSISTANT
15 SECRETARY OF LABOR FOR VETERANS’ EMPLOYMENT
16 AND TRAINING.—(1) There is established within the De-
17 partment of Labor an Assistant Secretary of Labor for
18 Veterans’ Employment and Training, appointed by the
19 President by and with the advice and consent of the Sen-
20 ate, who shall formulate and implement all departmental
21 policies and procedures to carry out (A) the purposes of
22 this chapter, chapter 42, and chapter 43 of this title, and
23 (B) all other Department of Labor employment, unem-
24 ployment, and training programs to the extent they affect

1 veterans. The employees of the Department of Labor ad-
2 ministering chapter 43 of this title shall be administra-
3 tively and functionally responsible to the Assistant Sec-
4 retary of Labor for Veterans' Employment and Training.

5 “(2)(A) There shall be within the Department of
6 Labor a Deputy Assistant Secretary of Labor for Vet-
7 erans' Employment and Training. The Deputy Assistant
8 Secretary shall perform such functions as the Assistant
9 Secretary of Labor for Veterans' Employment and Train-
10 ing prescribes. The Deputy Assistant Secretary shall be
11 a veteran.

12 “(B) No individual may be appointed as a Deputy
13 Assistant Secretary of Labor for Veterans' Employment
14 and Training unless the individual has at least five years
15 of continuous service in the Federal civil service in the
16 executive branch immediately preceding appointment as
17 the Deputy Assistant Secretary. For purposes of deter-
18 mining such continuous service of an individual, there
19 shall be excluded any service by the individual in a
20 position—

21 “(i) of a confidential, policy-determining, policy-
22 making, or policy-advocating character;

23 “(ii) in which the individual served as a non-
24 career appointee in the Senior Executive Service, as

1 such term is defined in section 3132(a)(7) of title 5;
2 or

3 “(iii) to which the individual was appointed by
4 the President.

5 “(b) ADDITIONAL FEDERAL PERSONNEL.—(1) The
6 Secretary shall assign to each State a representative of
7 the Veterans’ Employment and Training Service to serve
8 as the Director for Veterans’ Employment and Training,
9 and shall assign full-time Federal clerical or other support
10 personnel to each such Director. Full-time Federal clerical
11 or other support personnel assigned to Directors for Vet-
12 erans’ Employment and Training shall be appointed in ac-
13 cordance with the provisions of title 5 governing appoint-
14 ments in the competitive service and shall be paid in ac-
15 cordance with the provisions of chapter 51 and subchapter
16 III of chapter 53 of title 5.

17 “(2) The Secretary may also assign as supervisory
18 personnel such representatives of the Veterans’ Employ-
19 ment and Training Service as the Secretary determines
20 appropriate to carry out the employment, training, and
21 placement services required under this chapter, including
22 Assistant Directors for Veterans’ Employment and Train-
23 ing.

24 “(3) The Secretary shall assign to each region for
25 which the Secretary operates a regional office a represent-

1 ative of the Veterans' Employment and Training Service
2 to serve as the Regional Administrator for Veterans' Em-
3 ployment and Training in such region. A person may not
4 be assigned after October 9, 1996, as such a Regional Ad-
5 ministrator unless the person is a veteran.

6 “(c) PREFERENCE FOR QUALIFIED VETERANS IN
7 SUPERVISORY POSITIONS.—The Secretary shall, to the ex-
8 tent practicable, appoint qualified veterans as supervisory
9 personnel.

10 “(d) AUTHORITY TO EMPLOY CERTAIN STATE EM-
11 PLOYMENT SERVICE OFFICIALS.—A State may employ
12 such disabled veterans' outreach program specialists and
13 local veterans' employment representatives as the State
14 determines appropriate and efficient to carry out employ-
15 ment, training, and placement services under this chapter.

16 “(e) REQUIREMENT ON THE SECRETARY TO
17 PROMPTLY ESTABLISH ONE-STOP EMPLOYMENT SERV-
18 ICES.—By not later than 18 months after the date of the
19 enactment of 21st Century Veterans Employment and
20 Training Act, the Secretary shall provide one-stop services
21 and assistance to eligible veterans and eligible persons
22 under this chapter electronically by means of the Internet,
23 as defined in section 231(e)(3) of the Communications Act
24 of 1934, and such other electronic means as facilitates the
25 delivery of such services and assistance.”.

1 (2) CONFORMING AMENDMENTS.—(A) The last
2 sentence of section 4106(a) is amended to read as
3 follows: “Each budget submission with respect to
4 such funds shall include a separate listing of the
5 amount for the National Veterans’ Employment and
6 Training Services Institute together with informa-
7 tion demonstrating the compliance of such budget
8 submission with the funding requirements specified
9 in the preceding sentence.”.

10 (B) Section 4107(c)(2) is amended by striking
11 “under sections 4103A and 4104 of this title;” and
12 inserting “under section 4103 of this title;”.

13 (C) Section 4107(c)(5) is amended by striking
14 “(including the need” and all that follows through
15 “representatives)”.

16 (3) CLERICAL AMENDMENTS.—The table of sec-
17 tions at the beginning of chapter 41 is amended—

18 (A) by striking the items relating to sec-
19 tions 4102A, 4103, 4103A, 4104, and 4104A,
20 respectively, and

21 (B) by inserting after the item relating to
22 section 4102 the following new item:

“4103. Employment, training, and placement services personnel.”.

23 (4) EFFECTIVE DATE.—The amendments made
24 by this subsection take effect on December 1, 2000,

1 and shall apply to appointments made on or after
2 that date.

3 (c) RULE OF CONSTRUCTION.—The repeals made by
4 subsection (b) shall not be construed to—

5 (1) require the Secretary of Labor or a State
6 to terminate personnel employed under those sec-
7 tions in effect on the date of the enactment of this
8 Act,

9 (2) terminate job training intensive services and
10 placement services furnished to veterans under chap-
11 ter 41 of title 38, United States Code, and

12 (3) affect the aggregate amount of Federal
13 funds made available to carry out that chapter.

14 (d) REPORT.—

15 (1) IN GENERAL.—Not later than 180 days
16 after the date of the enactment of this Act, the Sec-
17 retary of Labor shall submit to Congress a report
18 containing the Secretary's recommendations with re-
19 spect to the matters described in paragraph (2) in
20 order to provide the best possible employment and
21 training services to meet the needs of veterans in the
22 21st century, taking into consideration methods and
23 delivery systems for job training intensive services
24 and placement services in effect by reason of the
25 Workforce Investment Act of 1998 and availability

1 of employment and training services through the
2 Internet and other electronic means that facilitate
3 the delivery of such services and assistance. The
4 Secretary shall consult with State agencies as the
5 Secretary determines appropriate in the preparation
6 of the report.

7 (2) **MATTERS DESCRIBED.**—Recommendations
8 of the Secretary with respect to the matters referred
9 to in paragraph (1) include the following:

10 (A) Recommendations for revised duties of
11 Directors and Assistant Directors for Veterans'
12 Employment and Training established under
13 section 4103 of title 38, United States Code.

14 (B) Recommendations for revised titles
15 and duties of—

16 (i) disabled veterans' outreach pro-
17 gram specialists established under section
18 4103A of such title, as in effect on the
19 date of the enactment of this Act, and

20 (ii) local veterans' employment rep-
21 resentatives established under section 4104
22 of such title, as in effect on such date.

23 (e) **INCLUSION OF INTENSIVE SERVICES.**—

24 (1) **DEFINITION.**—Section 4101 is amended by
25 adding at the end the following new paragraph:

1 “(9) The term ‘intensive services’ means local
2 employment and training services of the type de-
3 scribed in section 134(d)(3) of the Workforce Invest-
4 ment Act of 1998.”.

5 (2) CONFORMING AMENDMENTS.—(A) Section
6 4102 is amended by striking “job and job training
7 counseling service program,” and inserting “job and
8 job training intensive services program,”.

9 (B) Section 4106(a) is amended by striking
10 “proper counseling” and inserting “proper intensive
11 services”.

12 (C) Section 4107(a) is amended by striking
13 “employment counseling services” and inserting “in-
14 tensive services”.

15 (D) Section 4107(c)(1) is amended by striking
16 “the number counseled” and inserting “the number
17 who received intensive services”.

18 (E) Section 4109(a) is amended by striking
19 “counseling,” each place it appears and inserting
20 “intensive services”.

21 (g) ADDITIONAL VETS DUTY TO IMPLEMENT TRAN-
22 SITIONS TO CIVILIAN CAREERS.—Section 4102 is amend-
23 ed by striking the period in the last sentence and inserting
24 “including programs carried out by the Veterans’ Employ-
25 ment and Training Service to implement all efforts to ease

1 the transition of servicemembers to civilian careers that
2 are consistent with, or an outgrowth of, the military expe-
3 rience of the servicemembers.”.

4 (h) MODERNIZATION OF EMPLOYMENT SERVICE DE-
5 LIVERY POINTS TO INCLUDE TECHNOLOGICAL INNOVA-
6 TIONS.—Section 4101(7) is amended to read as follows:

7 “(7) The term ‘employment service delivery sys-
8 tem’ means a service delivery system at which or
9 through which labor exchange services, including em-
10 ployment services, are offered in a manner con-
11 sistent with the provision of such labor exchange
12 services under the Workforce Investment Act of
13 1998.”.

14 (i) INCREASE IN ACCURACY OF REPORTING SERV-
15 ICES FURNISHED TO VETERANS.—(1) Section 4107(c)(1)
16 is amended by striking “and eligible persons who reg-
17 istered for assistance with” and inserting “, eligible per-
18 sons, and servicemembers transitioning to civilian careers
19 who registered for assistance with, or who are identified
20 as veterans by,”.

21 (2) Section 4107(c)(2) is amended—

22 (A) by striking “the job placement rate” the
23 first place it appears and inserting “core indicators
24 of performance (described in subsection (b)(1)); and

1 (B) by striking "the job placement rate" the
2 second place it appears and inserting "such core in-
3 dicators of performance".

4 (3) Section 4107(c)(4) is amended by striking "sec-
5 tions 4103A and 4104" and inserting "section 4212(d)".

6 (4) Section 4107(c) is amended—

7 (A) by striking "and" at the end of paragraph
8 (4);

9 (B) by striking the period at the end of para-
10 graph (5) and inserting "; and"; and

11 (C) by adding at the end the following new
12 paragraph:

13 "(6) a report on the operation during the pre-
14 ceding program year of the financial incentives pro-
15 gram for outstanding employment services under
16 section 4112(c)(3) of this title, including an analysis
17 of aggregate amount of incentives distributed to
18 each State and the rationale for such distribution."

19 (5) Section 4107(b) is amended to read as follows:

20 "(b) Not later than December 1 of each year, the Sec-
21 retary shall report to the Committees on Veterans' Affairs
22 of the Senate and the House of Representatives on the
23 performance of States and organizations and entities car-
24 rying out employment, training, and placement services
25 under this chapter, as measured under subsection (b) of

1 section 4112 of this title. In the case of a State that the
2 Secretary determines has not met the minimum standard
3 of performance (established by the Secretary) to qualify
4 for an incentive grant under subsection (c)(2) of such sec-
5 tion, the Secretary shall include a complete analysis of the
6 extent and reasons for the State's failure to meet that
7 minimum standard, together with the State's plan for cor-
8 rective action during the succeeding year.".

9 **SEC. 4. COMMITTEE TO RAISE EMPLOYER AWARENESS OF**
10 **SKILLS OF VETERANS AND BENEFITS OF HIR-**
11 **ING VETERANS.**

12 (a) **ESTABLISHMENT OF COMMITTEE.**—There is es-
13 tablished within the Department of Labor a committee to
14 be known as the President's National Hire Veterans Com-
15 mittee (hereinafter in this section referred to as the "Com-
16 mittee").

17 (b) **DUTIES.**—The Committee shall establish and
18 carry out a national program to do the following:

19 (1) To furnish information to employers with
20 respect to the training and skills of veterans and dis-
21 abled veterans, and the advantages afforded employ-
22 ers by hiring of veterans with such training and
23 skills.

24 (2) To facilitate employment of veterans and
25 disabled veterans through participation in America's

1 Career Kit national labor exchange, and other
2 means.

3 (c) MEMBERSHIP.—(1) The Secretary of Labor shall
4 appoint 12 individuals to serve as members of the Com-
5 mittee, of whom 9 shall be appointed from among rep-
6 resentatives nominated by organizations described in sub-
7 paragraph (A) and of whom 3 shall be appointed from
8 among representatives nominated by organizations de-
9 scribed in subparagraph (B).

10 (A) Organizations described in this subpara-
11 graph are the following:

12 (i) The Ad Council.

13 (ii) The National Committee for Employer
14 Support of the Guard and Reserve.

15 (iii) Veterans' service organizations that
16 have a national employment program.

17 (iv) State employment security agencies.

18 (v) State departments of veterans affairs.

19 (vi) Military service organizations.

20 (B) Organizations described in this subpara-
21 graph are such business, small business, civic
22 groups, S and labor unions as the Secretary of Labor
23 determines appropriate.

24 (2) The following shall be ex officio, nonvoting mem-
25 bers of the Committee:

1 (A) The Secretary of Veterans Affairs.

2 (B) The Secretary of Defense.

3 (C) The Assistant Secretary of Labor for Vet-
4 erans Employment and Training.

5 (D) The Administrator of the Small Business
6 Administration.

7 (3) A vacancy in the Committee shall be filled in the
8 manner in which the original appointment was made.

9 (d) ADMINISTRATIVE MATTERS.—(1) The Committee
10 shall meet at least quarterly.

11 (2) The Secretary of Labor shall appoint the chair-
12 man of the Committee.

13 (3)(A) Members of the Committee shall serve without
14 compensation.

15 (B) Members of the Committee shall be allowed rea-
16 sonable and necessary travel expenses, including per diem
17 in lieu of subsistence, at rates authorized for persons serv-
18 ing intermittently in the Government service in accordance
19 with the provisions of subchapter I of chapter 57 of title
20 5 while away from their homes or regular places of busi-
21 ness in the performance of the responsibilities of the Com-
22 mittee.

23 (4) The Secretary of Labor shall provide staff and
24 administrative support to the Committee to assist it in
25 carrying out its duties under this section. The Secretary

1 shall assure positions on the staff of the Committee are
2 filled by the following individuals:

3 (A) Staff of the Assistant Secretary of Labor
4 for Veterans' Employment and Training under sec-
5 tion 4102A of title 38, United States Code.

6 (B) Directors for Veterans' Employment and
7 Training under section 4103 of such title as in effect
8 on the date of the enactment of this Act.

9 (C) Assistant Director for Veterans' Employ-
10 ment and Training under such section as in effect
11 on such date.

12 (D) Disabled veterans' outreach program spe-
13 cialists under section 4103A of such title as in effect
14 on such date.

15 (E) Local veterans' employment representatives
16 under section 4104 of such title as in effect on such
17 date.

18 (5) Upon request of the Committee, the head of any
19 Federal department or agency may detail, on a non-
20 reimbursable basis, any of the personnel of that depart-
21 ment or agency to the Committee to assist it in carrying
22 out its duties.

23 (6) The Committee may contract with and com-
24 pensate government and private agencies or persons to
25 carry out the information campaign under subsection

1 (b)(1) without regard to section 3709 of the Revised Stat-
2 utes (41 U.S.C. 5).

3 (e) REPORT.—Not later than December 31, 2001
4 through 2003, the Secretary of Labor shall submit to Con-
5 gress a report on the activities of the Committee under
6 this section during the previous fiscal year, and shall in-
7 clude in such report data with respect to placement and
8 retention of veterans in jobs attributable to the activities
9 of the Committee.

10 (f) TERMINATION.—The Committee shall terminate
11 60 days after submitting the report that is due on Decem-
12 ber 31, 2003.

13 (g) AUTHORIZATION OF APPROPRIATIONS.—There
14 are authorized to be appropriated to the Secretary of
15 Labor from the Employment Security Administration ac-
16 count in the Unemployment Trust Fund \$3,000,000 for
17 each of fiscal years 2001 through 2003 to carry out this
18 section.

19 **SEC. 5. SENSE OF CONGRESS COMMENDING VETERANS**
20 **SERVICE ORGANIZATIONS.**

21 It is the sense of Congress that—

22 (1) veterans service organizations are to be
23 commended for the continued assistance the organi-
24 zations provide veterans; and

1 (2) veterans service organizations should pro-
2 vide job placement assistance to veterans who are
3 job-ready by making personal computers available
4 with access to electronic job placement services and
5 programs available at local posts and through other
6 means.

7 **SEC. 6. STUDY ON ECONOMIC BENEFITS TO THE UNITED**
8 **STATES OF LONG-TERM SUSTAINED EMPLOY-**
9 **MENT OF VETERANS.**

10 (a) **STUDY.**—The Secretary of Labor shall enter into
11 a contract with an appropriate organization or entity to
12 conduct a study to quantify the economic benefit to the
13 United States attributable to the provision of employment
14 and training services under chapter 41 of title 38, United
15 States Code, in assisting veterans attain long-term, sus-
16 tained employment. Such study shall include analyses on
17 the impact of such employment on Federal, State, and
18 local tax generated by reason of such employment, the
19 contributions of such employment on the domestic gross
20 national product, and such other indicators of the impact
21 of such employment on the economy of the United States.

22 (b) **REPORT.**—A condition of the contract under sub-
23 section (a) shall be that the organization submit to the
24 Secretary of Labor a report on the study conducted by

41

1 the organization not later than 18 months after the date
2 on which that Secretary enters into such contract.

3 (c) AUTHORIZATION OF APPROPRIATIONS.—There
4 are authorized to be appropriated to the Secretary of
5 Labor \$1,000,000 to carry out the provisions of this sec-
6 tion, such sums to remain available until expended.

○

106TH CONGRESS
1ST SESSION

H. R. 3256

To amend title 38, United States Code, to improve outreach programs carried out by the Department of Veterans Affairs to provide for more fully informing veterans of benefits available to them under laws administered by the Secretary of Veterans Affairs.

IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 8, 1999

Mr. PASCRELL (for himself, Mrs. MCCARTHY of New York, Mr. RAHALL, Mr. SHOWS, Mr. ABERCROMBIE, Mr. FRANK of Massachusetts, Mr. BALDACCIO, Mr. KLINK, Mr. PALLONE, Mr. BRADY of Pennsylvania, Mr. COOK, Mr. GUTIERREZ, Mr. STARK, Mr. BAIRD, Mrs. KELLY, Mr. ROTHMAN, Ms. HOOLEY of Oregon, Ms. LOFGREN, Mr. HOLT, Mr. CROWLEY, Mr. CAPUANO, Mr. MALONEY of Connecticut, Mr. FALCONE, Mr. COYNE, Mr. FROST, Mr. UNDERWOOD, Mr. OLVER, Mr. MCGOVERN, Mr. WAXMAN, Mr. OBEY, Mr. BERMAN, Mr. DEFazio, Mr. STUPAK, Mr. ROMERO-BARCELÓ, Mr. BARCLAY, Mr. MOORE, Mr. GORDON, Mrs. THURMAN, Mr. TALENT, Mr. PHELPS, Mr. HINCHEY, Mr. ENGLISH, Mrs. CAPPES, Mr. DAVIS of Florida, Ms. PELOSI, Mr. FORBES, Ms. CARSON, Mr. SKELTON, Mr. VISCLOSKEY, and Mr. HOYER) introduced the following bill; which was referred to the Committee on Veterans' Affairs

A BILL

To amend title 38, United States Code, to improve outreach programs carried out by the Department of Veterans Affairs to provide for more fully informing veterans of benefits available to them under laws administered by the Secretary of Veterans Affairs.

- 1 *Be it enacted by the Senate and House of Representa-*
- 2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Veterans’ Right to
3 Know Act”.

4 **SEC. 2. VETERANS OUTREACH PROGRAMS.**

5 (a) **INFORMATION ON VETERANS BENEFITS.**—Sec-
6 tion 7722(c) of title 38, United States Code, is amended—

7 (1) by inserting “(1)” after “(c)”; and

8 (2) by adding at the end the following:

9 “(2) Whenever a veteran or dependent first applies
10 for any benefit under laws administered by the Secretary,
11 the Secretary shall provide to the veteran or dependent
12 information concerning eligibility for benefits and health
13 care services under programs administered by the Sec-
14 retary. For purposes of this paragraph, a request for bur-
15 ial or related benefits, including an application for life in-
16 surance proceeds, shall be treated by the Secretary as an
17 initial application for dependent’s benefits.

18 “(3) Information provided under this subsection shall
19 include information on how to apply for benefits for which
20 the veteran or dependent may be eligible, including infor-
21 mation about assistance available under subsection (d).

22 “(4) In the case of veterans or dependents who are
23 members of distinct beneficiary populations (such as sur-
24 vivors of veterans), the Secretary shall ensure that infor-
25 mation provided under this subsection includes specific in-
26 formation about benefits relating to that population.”.

1 (b) ANNUAL OUTREACH PLAN.—(1) Chapter 77 of
2 such title is amended by adding at the end the following
3 new section:

4 **“§ 7727. Annual outreach plan**

5 “(a) The Secretary shall prepare an annual plan for
6 the conduct of outreach activities under this subchapter.

7 The Secretary shall include in the annual plan—

8 “(1) efforts to identify veterans who are not
9 otherwise enrolled or registered with the Department
10 for benefits or services under programs administered
11 by the Secretary; and

12 “(2) provisions for informing veterans and de-
13 pendents of any changes in benefit programs or
14 health care eligibility.

15 “(b) In developing the annual plan, the Secretary
16 shall consult with the following:

17 “(1) Directors or other responsible officials of
18 veterans service organizations.

19 “(2) Directors or other responsible officials of
20 local education and training programs.

21 “(3) Representatives of veterans outreach pro-
22 grams.

23 “(4) Local veterans employment representa-
24 tives.

25 “(5) Business and professional organizations.

1 “(6) Other appropriate individuals or organiza-
2 tions that could assist veterans in adjusting to a
3 self-sufficient civilian life.

4 “(c) The annual report required by section 7726 of
5 this title shall include specific information concerning the
6 effectiveness of the outreach plan developed pursuant to
7 this section.”.

8 (2) The table of sections at the beginning of such
9 chapter is amended by adding at the end the following
10 new item:

 “7727. Annual outreach plan.”.

○

Honorable Bob Filner

Subcommittee on Benefits Hearing on
H.R. 4765, The 21st Century Veterans Employment and
Training Act, and H.R. 3256, The Veterans'
Right to Know Act
July 12-13, 2000

I want to welcome all of you to today's Subcommittee hearing. Today and tomorrow, we will be considering two issues that are of great importance to America's veterans – employment and access to information about VA benefits. Thanks to all of you for coming here to talk about how Congress should best address each of these concerns.

I want to start this morning by stating my opinion that the Subcommittee's focus on employment assistance for America's veterans here today is entirely appropriate. Title 38 of the United States Code proclaims we have a national responsibility to assist veterans in their efforts to find and maintain stable, permanent employment.

I know first-hand that there are a lot of hard-working, caring people out there whose livelihoods are made by providing employment services to veterans. Every day, these dedicated people strive to fulfill our national commitment. I can say this with confidence because I have had the pleasure of meeting some of these great people and seeing what they do.

They are the Disabled Veterans' Outreach Program Specialists; they are the Local Veterans' Employment Representatives; they are community-based and veterans' service organizations. Many, in fact, are veterans themselves. I am looking forward to hearing testimony from folks like these and all our other witnesses over the next two days. We will discuss how to draw from the many strengths and talents of these great people and organizations to improve the quality of employment assistance we provide to men and women who have served in the Armed Forces.

In its final report to Congress, the Transition Commission stressed that employment is the dominant concern for most veterans making the

transition from military to civilian life. The Commission concluded that a veteran with a good job is in the best possible position to confront the many different challenges associated with life as a civilian. I believe it is our clear responsibility to provide the tools necessary to maximize opportunities for job-seeking veterans.

I am particularly pleased that my former legislation, H.R. 364, the Veterans' Employment and Training Bill of Rights Act of 1999, is now a part of the larger bill, H.R. 4765, the 21st Century Veterans Employment and Training Act. I first introduced this legislation as H.R. 3938 in the 104th Congress and reintroduced it as H.R. 167 in the 105th Congress. I believe that service-disabled veterans and veterans who serve in combat areas have more than earned the right to priority of service for federally-funded employment and training programs, such as the programs established under the Workforce Investment Act (WIA). This would be a new right to priority-of-service that is not now available to veterans and would be in addition to current law which requires priority-of-service in local employment service offices.

Additionally, I believe that veterans must be represented on state and local boards established in support of employment training programs such as the WIA-related programs. I also believe that veterans, who feel that federal contractors have violated their rights to affirmative action in hiring, should have an effective appeals process available to them. H.R. 4765 would accomplish these and other important goals with respect to employment services for veterans.

We have many excellent witnesses waiting to testify this morning, and I look forward to hearing their views and comments.

VETERANS' AFFAIRS BENEFITS SUBCOMMITTEE HEARING

July 12, 2000

10:00 A.M.

334 Cannon H.O.B.

INTRODUCTORY REMARKS FOR HEARING ON

H.R. 3256 and H.R. 4765

CONGRESSMAN SILVESTRE REYES

Mr. Chairman, I want to thank you for scheduling this hearing. Today, we will address several issues of vital importance to our nation's veterans and the benefits for which they are entitled.

Many veterans are not aware of the options that are available to them. How can we ensure that tomorrow's military will be provided with adequate benefits? As a nation we must first make sure that they are fully aware of what they are entitled to as veterans.

H.R. 3256, the Veterans' Right to Know Act, would provide veterans' with the information they need in order to make sure that they receive the benefits that have been set aside for them. The Veterans' Right to Know Act would ensure that they are easily provided with the appropriate information that will move them through the bureaucratic nature of the federal system administering VA benefits.

Many veterans' have argued that this system is intimidating. Rather than dealing with the bureaucratic nature of the system they are intimidated by the size of the administration and thus do not receive their benefits.

H.R. 3256 would expand existing requirements on the Department of Veterans' Affairs to inform veterans' of the range of benefits and services available to them as a result of their veterans' status, and other benefits which may be available to them as a result of their

specific circumstances. In essence it would mandate the VA to have comprehensive information of all benefits to veterans'.

This piece of legislation would also mandate an outreach program. Under the outreach program, the VA would devise a plan to conduct numerous outreach activities.

The plan would identify how VA would identify those individuals who are not yet enrolled or registered with VA for benefits or services, and provisions for informing veteran and beneficiaries of any changes in benefit programs or health care eligibility.

These programs are needed in order to ensure that our country's defenders are fully knowledgeable of their rights as veterans. They were promised it and thus are entitled to their benefits.

Furthermore, the 21st century will usher in a new era of the military. But before we can move forward we must first take care of those who have defended our nation. H.R. 4765, the 21st Century Veterans' Employment and Training Act, would seek to reduce barriers within the Department of Labor that have hindered the ability of veterans' in getting jobs.

These barriers include the difficulties of the Department of Labor in securing for veterans' jobs. The bill acknowledges that current limitations within the department include the absence of priority of service for veterans' or their spouses in federal employment and training programs. In helping veterans' and their spouses in federal employment and training programs the bill would provide priority to veterans' with a service connected having served in battle and specified spouses.

It would additionally, provide with respect to federal contracts and subcontracts in the amount of \$25,000 or more, that the contractor take affirmative action to employ qualified veterans', including listing employment openings immediately through appropriate employment delivery systems and place priority for veterans' in referrals for such openings.

Additionally, current law has outlined a complicated system of administrative process that has hindered the ability to produce effective outcomes. The law assumes a veteran has to physically visit a job service office to receive job help. H.R. 4726 moves forward with technological innovation by creating a virtual job service center where veterans' can log on to the internet to receive help with their job search. VSO's would be encouraged to wire local posts with internet access to expedite the job service process.

Military service provides the men and women of the military with skills that are important to today's employers. Employers will find that these skills have a positive influence on their businesses. However, despite these attributes there is a lack of data that outlines the economic benefits of long term sustained employment of veterans. I therefore applaud the bill's requirement of an independent study to quantify the economic benefits attributable to the provision of employment and training services under Chapter 41 of title 38, U.S.C., in helping veterans' attain long term, sustained employment.

Furthermore, I support the \$3 million would be authorized to create the President's National Hire Veterans' Committee to market employment attributes of veterans' to employers.

Employer's in this way would be able to pick from a job pool that is highly skilled. Veterans' have acquired valuable skills while in the military and thus marketing these attributes is a key aspect of making sure that these individuals receive employment.

In conclusion these bills are important because they make sure that our veterans' receive what they were promised when they entered the military. The goal of these bills are to adequately provide for the transition from the military life to a self sufficient civilian life. Our veterans have sacrificed for our country, and we owe our great prosperity and freedom to their tremendous services. I am therefore pleased that we are considering these two bills during today and tomorrow's hearings, and I look forward to hearing from the various veterans service organizations and other witnesses in addressing these important issues.

Thank you.

Statement of Honorable Terry Everett
Chairman, Subcommittee on Oversight and Investigations
House Committee on Veterans Affairs
Before the House Veterans Affairs Subcommittee on Benefits
Legislative Hearing on H.R. 4765, the 21st Century Veterans Employment
and Training Act
July 12, 2000

Thank you, Mr. Chairman.

I have the pleasure of introducing Mr. Stephen Horton of Montgomery, Alabama. I would first like to recognize Mr. Horton's service to our country. He is a special disabled Vietnam veteran who was awarded three Purple Hearts for injuries sustained in battle.

Currently, Mr. Horton is the Manager of the Employment Security Program Services of the Alabama Employment Service. I would also like to recognize Ms. Sylvia Williams, Director, Alabama State Employment Service, who is in the hearing room today.

I appreciate the excellent job the Montgomery office is doing! Fortunately, it is the one office I do not have to visit because of their successful placement rate!

Mr. Horton has been working in the area of employment services for almost thirty years. I thank him for taking time from his busy schedule to give the Subcommittee and Chairman Quinn the benefit of his testimony.

As Chairman of the Oversight Subcommittee, I have been committed to improving the effectiveness of the VETS program. Chairman Quinn, you and I have been working together for several years in this regard. However, there is much more work to be done and I commend you for your Herculean efforts and believe H.R. 4765, of which I am a co-sponsor, is a good beginning.

Thank you again, Mr. Horton, for your time and testimony today. Thank you Mr. Chairman.

**House Committee on Veterans Affairs
Subcommittee on Benefits Hearing on
HR 3256, The Veterans Right To Know Act
July 12, 2000 at 10:00 a.m.
334 Cannon Office Building
Congressman Bill Pascrell, Jr.**

Let me begin by thanking Chairman Quinn, Ranking Member Filner, and Congressman Evans for today's Hearing. I am so pleased to be with you today to speak in support of my legislation -- HR 3256, The Veterans' Right to Know Act.

As we enter the new millennium and our veterans population is rapidly aging, I believe it is about time that we sat down and took a comprehensive look at America's outreach to our veterans. To be quite frank, the lack of information available to veterans and their families about the benefits and services they are eligible for has reached crisis proportions!

A survey conducted by the Veterans Administration indicated that less than half of veterans contacted were aware of certain benefits they were entitled to receive, including pension benefits for disabled, low-income veterans.

In addition, a survey I conducted among veterans in my own district -- New Jersey's Eighth -- showed that over half of those answering had "no understanding" of the benefits they are entitled to and "no confidence" that their questions could be satisfactorily answered by the Veterans Benefits Administration.

Members of the armed services have put themselves at great risk to protect America around the world, and in return our government has made a commitment to both active duty and retired military personnel to provide certain benefits.

Too often, our nation's heroes are not adequately informed as to what benefits they are entitled to receive, or how to obtain those benefits. This is simply unacceptable.

That is why I introduced the Veterans' Right To Know Act. The Veterans' Right to Know Act is clear and to the point. It makes a few simple demands of the Department of Veterans Affairs. In short, it demands that they do their job.

This bill requires the VA to inform veterans about eligibility for benefits and health services whenever a veteran first applies for any benefit. It also requires the VA to inform widows and survivors of vets about what is available to them, and requires an annual outreach plan designed to help identify veterans who are not registered and devise ways to inform vets of changes to their benefits.

The Veterans' Right-to-Know Act requires the Secretary of the VA to prepare an annual outreach plan that will include efforts to identify veterans who are not otherwise enrolled or registered with the Department for benefits or services. And it requires that

the VA consult with actual veterans' organizations in developing this plan. That way we know it will work.

My legislation has the strong support of the Veterans of Foreign Wars, the American Legion, the Disabled American Veterans, the Jewish War Veterans, the Vietnam Veterans of America, and the Veterans Widows' International Network. And it is as bipartisan, as it should be -- it has 69 cosponsors from both sides of the aisle.

This is common sense legislation that all of Congress should support. When our brave soldiers stormed Omaha Beach on D-Day, when they fought to push the North Koreans back to the 38th parallel, or battled the North Vietnamese Army to take Hamburger Hill, or faced down Saddam Hussein's Republican Guards during the Gulf War -- we did not ask these selfless men and woman whether they are Democrats or Republicans. And so we must put aside our partisan differences -- for the sake of our veterans -- to make this bill into law.

Veterans throughout this country deserve this bill. They have earned these benefits through their patriotism, their courage, and their values. It is an absolute outrage that the government they fought for is not doing a good enough job informing them of what they are entitled to receive. We must change that trend with this legislation.

We are not doing veterans any favors by informing them of benefits and services they are entitled to. This is our responsibility. We are accountable to our veterans, and we are going to deliver.

Abraham Lincoln spoke of this responsibility in his second inaugural address, saying we must "care for him who shall have borne the battle, and for his widow and his orphan." Throughout our nation's history, millions of men and women have served in our armed forces -- during times of peace and in times of war. They have defended the very freedoms our country was founded upon.

This bill honors that commitment -- and I'm going to fight to make it the law of the land. Thank you.

RICHARD J. BERNARD
2 Fairview Drive
East Hanover, NJ 07936
(973) 887-2594
Fax (973) 887-3096

C09621689
SS# 145-22-3006

Jack Quinn
Chairman Sub Committee on Benefits
c/o Ms. Sally Elliott
U. S. House of Representatives
337 Cannon House Office Bldg.
Washington D.C. 20515-6335

July 3, 2000

RE: Hearing on H.R. 3256, "Veterans' Right to Know Act"

Mr. Chairman and Members of the Subcommittee:

First of all, I would like to thank Congressman Pascrell for fighting on behalf of Veterans to make sure they know what services and benefits they are entitled to.

I am pleased to have the opportunity to appear before you to present my views concerning H.R. 3256, the "Veterans' Right to Know Act".

As a Marine who fought and was severely wounded on the infamous Fox Hill, I appear before you today as a private U.S. citizen who has dedicated my entire adult life to assisting fellow disabled veterans overcome the obstacles placed upon them following their individual military service to the United States.

Mr. Chairman, I have attached my full statement, and ask that it be made part of the record of these proceedings.

Today, there are more than 25 million living Veterans and approximately 44 million family members of living and deceased Veterans. These men and women highly value patriotic service in the Nation's Armed Forces. The depth of their appreciation is revealed in ways that go beyond what the Department of Veterans Affairs (VA) can do. Veterans helping other Veterans provide assistance and support in order to ensure that accurate information is disseminated and timely delivered.

H.R. 3256, which amends title 38, United States Code, to improve outreach programs carried out by the VA. This legislation will allow Veterans the ability to be more fully informed of the benefits available to them under laws administered by the Secretary of Veterans Affairs, and is essential.

This legislation is important to prevent the following problems I have personally experienced. Additionally, I call on the entire Congress to adequately fund the VA in order to quell the chaos that is occurring within the entire VA system.

RICHARD J. BERNARD

page 2

Because of the inadequate Congressional appropriation for health care, the benefits I earned as the result of my wounds have caused me frustration, turmoil and disillusionment with the entire VA system.

It is my belief that with your help and the enactment of H.R. 3256, the following problems will not be able to occur:

1. The VA health care system is being forced to capture as much revenue as it can and bills my private insurance company for conditions even a layman can see are the direct result and causally related to my wartime military service.
2. Also consideration should be given to the old system of those Veterans who are service connected 50% and above, without any second party billing and those veterans who are service connected from 0% thru 40% should receive service-connected treatment paid for by the VA.

No person who has a service-connected disability should ever have his private Insurance companies pay for the treatment for disability (ies) incurred in or related to their military service.

I just returned from a seven (7) day trip to Korea, along with seven other Korean War Veterans from New Jersey. We were guests of our fine Governor Christie Whitman and her wonderful husband John. I hold here a medal given to each of the Korean War Veterans that accompanied the Governor on the trip.

I am extremely grateful to the South Korean government for not forgetting us. But what I find when I return to my own country here in Washington, the President, Vice President, and some in the House of Representatives, the Senate, and the Secretary of Veterans' Affairs are going to be commemorating Korean War Veterans by hanging medals on us that served, while forgetting the metals and memories that hang inside of us still: Bullets, Shrapnel, Diseases and Nightmares.

As of today, the VA's medical administrations coding system has me listed as being service connected for the following conditions:

1. 100% loss of both feet
2. 100% arteriosclerotic heart disease
3. 30% cold injury residuals
4. 30% cold injury residuals
5. 10% paralysis of median nerve
6. 0% paralysis of median nerve

On September 15, 1999, I gave the East Orange VA Medical Center a copy of a rating board decision that established a new service-connected rating of 30% for post traumatic stress disorders.

RICHARD J. BERNARD

page 3

Members of the committee, the VA health care system has established directives that state:

A service connected condition is a disability established by the Department of Veterans Affairs. Treatment for conditions related to or caused by, but not FOR the disability, is considered non-service connected.


If VA continues to inappropriately bill third-party payers for conditions related to service-connected disabilities, Congress must require the Veterans Benefits Administration (VBA) to rate Veterans as secondarily service-connected for all conditions associated with their original service-connected disability.

I am confident that if Veterans are aware of what their rights are, that situations like the ones I described, and countless others like them would not occur.

Yes, Veterans have a right to know of all of their entitlements and it is for that reason I sit here before you today in support of H.R.3256, "Veterans Right to Know Act." But I would ask that this legislative proposal be changed include language that requires VBA to provide secondary service connection for conditions associated with the Veteran's original service-connected condition or conditions.

I hope that my statement is helpful to you. I appreciate the Subcommittee's interest in this issue and the opportunity to present my views.

Respectfully yours,

A handwritten signature in black ink, appearing to read "Richard J. Bernard", written over a horizontal line.

Richard J. Bernard

cc: Congressman Bill Pascrell, Jr.
Congressman Rodney Frelinghuysen

RICHARD J. BERNARD
2 Fairview Drive
East Hanover, NJ 07936
(973) 887-2594
Fax (973) 887-3096

C09621689
SS# 145-22-3006

5/10/99

Sandy Hill
V. A. Regional Office
20 Washington Pl.
Newark, NJ 07102

RE: Hearing on H.R. 3256, "Veterans' Right to Know Act"

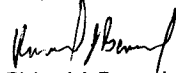
Sandy,

I faxed to you today the attached letters that were sent to me, upon my request from Robert W. Ezell, 11521 Wembly Rd, CA 90720 and Richard A. Gillings - 146 Bryant Rd - Hampton, NJ 08827. Both of these men served with me in Korea as indicated in their letters. They have validated in their letters that I was subject to extremely severe weather conditions for a period of about five days which affected my whole body.

I find that I have been reliving these five days in recent weeks. I believe I have been able to shut out that experience by keeping myself busy most of my life. In recent weeks I've been waking up at night and constantly thinking about the experience that I and my friends had. I get **very angry and emotional about things** that I shouldn't be emotional about. I find myself being **extremely angry** that I have to prove to the V. A. officials after all these years that my treatment by them is service connected.

I wish to establish a claim for post traumatic stress disorder. Not for my service in Korea alone, but for the war that I have to fight with the V.A. officials in W. D. C.

Respectfully yours,



Richard J. Bernard

cc: D.A.V. Washington, D.C.

Sent: Sunday, May 09, 1999 3:55 PM
To: 'Richard Bernard'
Subject: Richard Bernard

145-223006
C09621689

To Whom It May Concern:

Dick and I served together in a machine gun squad in North Korea, Nov/Dec 1950

Dick was wounded in both legs during a firefight in the early morning of 28 Nov. He lay in the snow until the firefight was over and it became daylight. Three others and I carried him to the aid tent.

Our company was cut off for five days, at Toklong Pass during which time the company was constantly under fire from probing attacks and snipers. The temperatures which reached 30+ degrees below zero with snow and wind were usual during this time.

The wounded lay on the frozen ground in and out of the aid tents, which had become torn and riddled with holes.

The relief column reached our company on 3 Dec. The wounded were then loaded on jeeps and trucks and transported down to Hageru-Ri and into the field hospitals and eventually evacuated to Japan.

Sincerely
Robert W. Ezell
F/6 1st Mar Div
Nov/Dec 1950

RE RICHARD BERNARD
145 223006
C 09621689

To Whom It May Concern:

Early December 1950 - North Korea. How 3/7 was located on Hill 1419 on the west side of the Chosin Reservoir. How 3/7 joined up with Battalion 1/7 -- Able, Baker, and Charlie Companies for a forced march to relieve Fox 2/7 on Toktong Pass.

Reaching Fox 2/7 by late afternoon there was 6" to 8" of snow with temperatures of 25° to 30° below zero. There were wounded men from Fox Company lying in the snow and in a make shift tent. They had been in that situation for several days. At that time I was looking for men in the 21st Infantry Battalion from New Jersey. The wounded men from the 21st were Richard Bernard, Hector Cafferata and Kenneth Benson.

Sincerely,


Richard A. Gilling
Semper Paratus



Department of New Jersey

Jewish War Veterans
of the United States of America

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Philip Sieradski
Commander
Arthur Seltzer
Senior Vice Commander
Ben A. Roth
Junior Vice Commander
Jack Mandell
Judge Advocate
Norman Rosenschein
Quartermaster
Harry Eitlinger
Adjutant
Larry Alterstiz
Chief Aide, South
William Barkin
Chief of Staff, South
Bob Cirkus
Chief of Staff, North
Howard Heibert
Chief Aide, North
Joseph Piotrowski
Chief Aide, Central
Martin Smith
Aide De Camp
Leroy Vegetsky
Chief of Staff, South
Robert M. Zweiman
Chairman, Executive Committee
Daniel Weiss
Executive Director

June 23, 2000

Mr. Dick Bernard
2 Fairview Drive
East Hanover, NJ 07939

Dear Mr. Bernard:

This letter is to acknowledge your participation on behalf of New Jersey veterans before the Congressional committee conducting hearings on the "Veterans Right to Know" bill being sponsored by Congressman Pascrell. As one who has gravely suffered as a result of his military service and who has overcome his wounds to become a vocal proponent for veterans' rights, the Department of New Jersey, Jewish War Veterans is honored to endorse your representation at these hearings.

Very truly yours,

Philip Sieradski
Commander

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 NATIONAL CHAPTER 1
 P.O. BOX 216
 NESHANIC STATION, N.J. 08853
 908-369-5439 FAX 908-369-2072

July 6, 2000

Richard J. Bernard
 2 Fairview Drive
 East Hanover, NJ 07936

Dear Dick,

I support your testimony and the Right To Know Act H.R. 3256. The Veterans that served in the United States Military should not have to fight a life time war when they come home. There is nothing easy about the Veterans Administration and service connected disabilities. It is a life time fight for your rights.

I also know because I have been fighting the V.A. since 1979 for service connected disabilities that I received during the Vietnam War. Shrapnel to my left shoulder, back and problems from agent Orange have forced me to live in pain every day of my life since Vietnam. My case was remanded back to the New Jersey V.A. in March of 1998. Over two years and I still do not have an answer from the Veterans Administration.

In 1998 I was medically retired from my job. I am classified as 100 % disabled not by choice. We the Veterans of the United States of America are not asking for a hand out. We are asking for what we were promised and earned on the battle fields protecting the freedom of every American. A Veterans Health care program that works for the Veteran.

Sincerely,

SGT. Arthur M. Muller
 National President

RESUME

RICHARD J. BERNARD

2 Fairview Drive
 East Hanover, NJ 07936
 Home Telephone: 973-887-2594
 Cell in Florida 973-615-6710
 Fax 973-887-3096

WORK HISTORY

April 19, 1994 to July 12, 2000	Appointed member of the <u>Veterans Advisory Committee on Rehabilitation</u> . The committee is charged with providing advice and consultation to the Secretary of Veterans Affairs on matters regarding the administration of veterans rehabilitation programs.
July 1990 to 31 January 1994	Deputy Commissioner for Veterans' Affairs, Department of Military & Veterans' Affairs, State of New Jersey. Oversees the operations of divisions which administer the programs, services and entitlements for veterans of NJ. The Division of Veterans Administrative Services, Division of Veterans Loans, Grants and Services, Division of Veterans Training, Information and Referrals. Approximately 1300 personnel and budget of 45.4 million dollars;
November 1989 to July 1990	Rehabilitation Specialist, NJ Department of Labor;
January 1983 to 1989	Senior Rehabilitation Counselor, NJ Department of Labor;
January 1982 to 1983	Executive Director, NJ National Year of the Disabled (appointed by Governor Thomas Kean); Executive Director, Governor's Committee to Employ the Handicapped (appointed by Governor Thomas Kean);
April 1981 to January 1982	Executive Director, NJ International Year of Disabled Persons (appointed by Governor Thomas Kean); Executive Director, Governor's Committee to Employ the Handicapped (appointed by Governor Brendan Byrne);
1976 to April 1981	Rehabilitation Counselor, NJ Department of Labor;
1970 to 1973	Elected, East Hanover Township Committeeman; Deputy Mayor; President board of Health; Police Commissioner; Fire Commissioner; Planning Board Member;
1956 to 1968	Selective Placement Counselor, Division of Employment Security, State of New Jersey.

Richard J Bernard
Page 2

EDUCATION Seton Hall University, School of Business Administration
B.S. Degree, 1956.

SERVICE HISTORY Recipient of Purple Heart. Double leg amputee due to combat in Korean War, 1950. Retired USMC 100% service connected disability. Recipient New Jersey Distinguished Service Medal.

COMMENDATIONS

April 1994 Plaque of Appreciation - The American Ex-Prisoner's of War, New Jersey Chapter One.

March 1994 Resolution of Honor, presented by Morris County Board of Chosen Freeholders for efforts on behalf of veterans, disabled persons and all residents of Morris County.

December 1993 Congressional Medal of Honor Society's USA Distinguished Citizen Award, the most precious award of the Society given for outstanding service to all veterans (NOTE: this was the sixth time in the Society's history that this medallion has been awarded).

September 1993 Melvin T. Dixon Award, presented annually to the nation's outstanding State Director by the National Association of State Directors of Veterans Affairs.

September 1992 Citizen of the Year, presented by the Jewish War Veterans of the USA, Department of New Jersey.

October 1990 Morris County's Advocate of the Year Award, presented by the Morris County Advisory Committee on Disabilities for Outstanding Community Leadership addressing the needs of the disabled.

1988 DIAL (Disabled Information Awareness & Living, Inc.)
Community Service Award for outstanding service to disabled citizens of the State of New Jersey;

1987 Resolution of Honor, Morris County Freeholders, (for efforts at Statue of Liberty and Ellis Island);

1987 U.S. Department of Interior Conservation Service Award, (highest award the Department of Interior can give to a private citizen);

1987 The National Park Service Honorary National Park Ranger Award, (highest award the National Park Service can give to a private citizen);

1987 Letter of Commendation, Governor of New York, Mario Cuomo, (for efforts at the Statue of Liberty and Ellis Island);

Richard J. Bernard
Page 3

COMMENDATIONS (Continued)

- 1986 Proclamation of the State of New Jersey, (commendation for efforts on behalf of the Statue of Liberty - Ellis Island, unanimous resolution);
- 1985 Senate Resolution, State of New Jersey, (commendation for efforts at Statue of Liberty and Ellis Island, unanimous resolution);
- 1985 General Assembly, State of New Jersey, (commendation resolution for efforts at Statue of Liberty and Ellis Island, unanimous resolution);
- 1965 New Jersey Chamber of Commerce selected one of five outstanding young men of the year;
- 1963 National Outstanding Disabled Veteran, presented by the Disabled American Veterans National Commander;
- 1963 Outstanding New Jersey Disabled Veteran, presented by New Jersey Disabled American Veterans;
- 1961 AMVETS State Award for Assistance to Veterans.

MEMBERSHIPS AND ORGANIZATIONS

- Past President Board of Trustees, Occupational Training Center for the Handicapped, Morris County;
- Past Commander, Disabled American Veterans of New Jersey, Amputation Chapter;
- Present Member, President's Committee to Employ the Handicapped;
- Present Life Member, Disabled American Veterans;
- Present Life Member, Military Order of the Purple Heart, State of New Jersey;
- Present Member, American Legion, Post #43;
- Present Member, Veterans of Foreign Wars, Post 2856;
- Present Member, First Marine Division Association, State of New Jersey;
- Present Member, Marine Corps League;

Richard J. Bernard
Page 4

MEMBERSHIPS AND ORGANIZATIONS (continued)

Present Member, Korean War Veterans Association;

Life Member, AMVETS;

Patron Member, Jewish War Veterans;

Present Member, Chosen Few;

Past Member, National Association of State Directors for Veterans Affairs;

Past Member, Sierra Club, Diocese of Paterson;

Past Financial Secretary, Knights of Columbus, Chapter 2248, Madison, NJ;

Past District Chairman, Lonatake District, Boy Scouts of America, Sustaining Membership Committee.

VOLUNTEER ACTIVITIES

Chairman, Statue of Liberty - Ellis Island Access - Ability Committee, 1982 to Present. Committee is a volunteer committee which has given time and special expertise to identify the barriers to equal access for the elderly and the disabled and recommend appropriate solutions to these barriers. The Committee assisted in raising \$1,500,000 for renovations at the Statue of Liberty and Ellis Island.

PERSONAL

Married to the former Maureen Casey;

Two sons: Richard and Sean and one granddaughter

Certification of Commendations and references available upon request.

Statement of
Joseph Thompson
Under Secretary for Benefits
Department of Veterans Affairs
Before the
House Committee on Veterans' Affairs
Subcommittee on Benefits
July 12, 2000

Mr. Chairman and Members of the Subcommittee, thank you for the opportunity to testify today on H.R. 3256, the "Veterans' Right to Know Act." H.R. 3256 would require the Secretary of Veterans Affairs to provide a veteran or dependent with information concerning eligibility for Department of Veterans Affairs (VA) benefits and health care services when he or she first applies for any VA benefit, including burial or related benefits. The information the Secretary would be required to provide would include information on how to apply for benefits for which the veteran or dependent may be eligible and information particular to members of distinct beneficiary populations.

H.R. 3256 would also require the Secretary to prepare an annual plan for the conduct of outreach activities. The Secretary would be required to include in the plan efforts to identify veterans who are not otherwise enrolled or registered with VA for benefits or services and provisions for informing veterans and dependents of any changes in benefit programs or health care eligibility. In preparing the plan, the Secretary would be required to consult with outside individuals and organizations that could assist veterans in adjusting to a self-sufficient civilian life.

The ultimate objective of H.R. 3256 appears to be to assure that VA outreach programs fully inform veterans and dependents of benefits available to them. Although we fully support this objective, we do not support enactment of

H.R. 3256 because we believe that the bill is unnecessary to its achievement and in many ways would duplicate VA's existing outreach and other information efforts. Although VA continues to improve, we believe that the Department has made considerable progress in reaching out to veterans. As I have said before, we owe veterans and their families the best service we can provide in the most sensitive, caring way possible to ensure that they receive benefits in a manner befitting their service to our Nation. My testimony will summarize VA's current outreach efforts.

Outreach Initiatives - In General

VA's current outreach efforts include informing veterans and their dependents and survivors about VA benefits and services to which they may be entitled, as well as educating other agencies and organizations involved in helping veterans and dependents and survivors. VA conducts both on-going outreach programs and one-time efforts. Some outreach programs are developed for national implementation and some are developed locally to fit the needs of particular communities.

In late October 1999, the Demand Management Staff was created within the Compensation and Pension Service with one section specifically assigned the responsibility for developing outreach-program guidance, providing program oversight, and evaluating the effectiveness of outreach programs. Outreach specialists have also been assigned within other VBA business lines.

Outreach is a cooperative effort among the VBA business lines (Compensation and Pension, Education, Loan Guaranty, Vocational Rehabilitation & Employment, and Insurance) and among VBA, the Veterans Health Administration, National Cemetery Administration, and staff offices such as the Centers for Women and Minority Veterans and the Office of Public and Intergovernmental Affairs. Some programs are jointly sponsored by federal agencies. For example, the Departments of Defense (DoD), Labor, and

Veterans Affairs jointly sponsor the Transition Assistance Program (TAP) for separating and retiring servicemembers. Veterans Service Organizations (VSOs) and state and county veterans affairs officers, community agencies, and organizations also play a vital role in VBA's outreach program.

Under Title VII, Service Disabled Veterans, Section 709 of Public Law 105-135, the Small Business Re-authorization Act of 1997, the Secretary is to engage in discussions with the Administrator of the Small Business Administration (SBA) and the Assistant Secretary of Labor for Veterans' Employment and Training to develop and implement a program of comprehensive outreach to assist eligible veterans in the areas of business training and management assistance, employment and relocation counseling, and dissemination of information on veterans benefits and veterans entitlements. Under section 302, Public Law 106-50, the Veterans Entrepreneurship and Small Business Development Act of 1999, the Secretary entered into a partnership agreement with the SBA and the Association of the Small Business Development Centers to provide entrepreneurial assistance to veterans to include service-disabled veterans. Under the same Act as prescribed in section 604, the Secretary is actively engaged in discussions with the SBA Administrator and the Secretary of Labor to enter into another partnership agreement to coordinate vocational rehabilitation services, technical and managerial assistance, and financial assistance to veterans, including service-disabled veterans seeking to form or expand a small business concern.

VA uses various media, such as toll-free telephone service, the Internet, kiosks, special mailings, news releases, public service announcements, pamphlets, fact sheets, award letters, town hall meetings, benefits seminars, and personal benefits counseling, to disseminate information about VA benefits and claims assistance.

VA uses special mailings to advise veterans and dependents of legislated benefit changes, such as the letter released in 1997 to over 350,000 women veterans advising them of the availability of counseling and treatment for sexual trauma or personal assault. Compensation and pension award letters contain information about other VA benefits to which a veteran may be entitled.

VA also provides information about and, in many instances certification for, other federal, state, and local benefits, such as employment, civil service preference, and state tax abatement. We are developing an on-line State Benefits System that will provide information on all State benefits including the benefit description and eligibility criteria. When completed, this system will be available to all VBA personnel and the general public.

Outreach Initiatives – Active-duty Personnel

More specifically, VA provides all active-duty personnel with information about VA benefits and services. Upon entering active duty, each servicemember is required to complete a Servicemember's Group Life Insurance (SGLI) election form. The SGLI election form includes a description of VA benefits. Under programs currently under way or under development, servicemembers who are enrolled in the Montgomery GI Bill program will receive information at particular stages of their military careers on the basic eligibility and entitlement criteria, benefit rates and method of payment, and points of contact, including Internet addresses and toll-free telephone numbers for VA. Fifty-five percent of the eligible veteran population that has participated in the MGIB program since its inception has used some portion of available MGIB benefits. They will also be reminded of the availability of VA guaranteed home loans. In addition, VA representatives provide briefings upon request from military officials to explain the home loan benefit to active-duty personnel. There are approximately 3.1 million participants in the program.

Outreach Initiatives – Separating/Retiring Active-duty Personnel

VBA's military services outreach program offers benefits briefings and counseling to separating/retiring active-duty personnel. These briefings are available through the formal TAP, which is legislatively mandated by title 10, United States Code, and jointly sponsored by the Departments of Defense, Labor, and Veterans Affairs, and through other separation and retirement programs. Servicemembers within 180 days of separation from service attend a transition assistance briefing conducted in a group setting at their military installation. The briefings cover education, home loans, life insurance, vocational rehabilitation, and compensation and pension issues, as well as special issues such as sexual and personal trauma. In conjunction with such briefings, personal counseling may also be provided. During Fiscal Year 1999, about 227,000 servicemembers and dependents attended VA briefings and almost 87,000 personal interviews were conducted with separating or retiring active-duty personnel. Section 1142 of title 10, United States Code, also requires the Secretary of Defense to provide pre-separation counseling to active-duty personnel prior to release. This counseling must be documented in the members' service records and must include a discussion of educational assistance benefits to which the member is entitled under the Montgomery GI Bill and a description of available compensation and vocational rehabilitation benefits if the member is being medically separated or retired.

Through the Disabled Transition Assistance Program (DTAP), service members who may be discharged with potential service-connected disabilities are provided specialized counseling on vocational rehabilitation and employment benefits. Over 8,000 Vocational Rehabilitation (Chapter 31) claims were taken during DTAP sessions in FY 1999.

To supplement military services briefings, VA has produced four special information videos for separating active-duty personnel and distributed them to

regional offices and military installations in the United States and overseas. The most recent, *Taking the Next Step*, was released in December 1998.

VBA's Benefit Delivery at Discharge Program is an outreach and claims processing effort designed to capture as many as possible of the 80,000 separating servicemembers annually who file a disability claim either at separation or within a year of separation. The intent is to provide counseling on all benefits available, take claims, and decide these claims prior to or within 30 days after separation from active duty. Currently there are 34 VA regional offices and 83 military installations in 33 states actively participating in the pre-discharge program. Based on the 3,122 pre-discharge claims completed in the 4th quarter Fiscal Year 1999, it is projected that more than 15,000 pre-discharge claims will be finalized in Fiscal Year 2000.

Outreach Initiatives – Survivors

VBA has designated personnel to work locally with the military Casualty Assistance Officers to offer immediate information and assistance in applying for VA benefits and services to survivors of service members who die on active duty. Also, when a service member has been separated for a service-connected condition and it is anticipated that he or she will die within 6 months of separation, VA, through its imminent death procedures, assists DoD in its efforts to authorize benefits within 24 hours of the service member's death.

Outreach Initiatives – Discharged Veterans

Upon receipt from DoD of a discharged veteran's separation document, which VA receives for each discharged servicemember, VA sends a letter to the veteran with a pamphlet summarizing available VA benefits. The veteran is invited to call or visit a local VA regional office for further information and assistance. A follow-up letter is sent 6 months later. In addition, VA sends separate letters, pamphlets, and applications to veterans eligible for educational assistance benefits, and issues information packets and follow-up notices on Veterans' Group Life Insurance (VGLI) to recently separated veterans. VA

intends to extend extra outreach efforts, such as telephone calls and special mailings explaining the availability of VGLI coverage, to severely disabled veterans and to include in such mailings an invitation to apply for disability benefits. During Fiscal Year 1999, over 426,000 general information and education letters and about 340,000 VGLI packets were sent to recently separated veterans.

Outreach Initiatives – Special Populations

VBA has assigned outreach personnel at each of its regional offices to work with special populations such as women veterans, minority veterans, homeless veterans, elderly beneficiaries, and former prisoners of war. These programs have been quite successful in identifying these veterans and assisting them in applying for VA benefits and services.

For example, during FY 1999, homeless veteran outreach coordinators visited about 2,700 shelters, made more than 4,700 contacts with community groups and agencies who provide services to the homeless, and provided personal assistance to over 23,000 homeless veterans. The homeless coordinators, as well as vocational rehabilitation and employment personnel, participate in Stand Downs or benefit fairs during which various free services to homeless veterans are provided. VA participated in 136 Stand Downs run by local coalitions in various cities during 1999. Surveys showed that more than 25,000 veterans and 8,000 members of their families and others in need of assistance attended these events. In addition, special outreach and benefits assistance is provided through funding from VA's Veterans Health Administration to support 12 VBA counselors as members of VA's Health Care for Homeless Veterans Program and VA's Domiciliary Care for Homeless Program.

Additional Outreach Initiatives – Education

In addition to mailing publications regarding education benefits to both active-duty members and recently separated veterans, VA has been enhancing

materials on education benefits, producing brochures distributed at education seminars and military installations, working with DoD to provide public service announcements for the Armed Forces Radio and Television Service, providing press releases to veterans service organizations, conducting focus groups, and revising and updating its Internet site. VA also sends letters and applications for benefits to children ages 13, 16, and 18 who are potentially eligible for education benefits and includes in disability and death award letters information notifying potential beneficiaries about education benefits.

Additional Outreach Initiatives – Loan Guaranty

To disseminate additional information on our loan guaranty program, VA encloses fact sheets or pamphlets explaining the loan guaranty benefit with all certificates of eligibility. Other information about the Loan Guaranty Program is provided on an Internet site, which has various links to a host of sources for related information and services. On request, VA will conduct briefings at military bases to explain the loan guaranty benefit to active-duty personnel. In addition, VA provides interactive televised training broadcasts to assist lenders and other program participants in learning about the requirements of the VA home loan program. VA personnel also attend meetings of mortgage and housing industry trade associations to advise them of program changes.

With respect to the Native American Veteran Direct Loan Program (NADLP), VA attends conferences and conventions and provides information and training to tribal organizations and housing entities regarding the availability of the NADLP. In addition, loan guaranty representatives periodically visit all tribes within their jurisdiction to discuss the program with tribal authorities.

Additional Outreach Initiatives – Vocational Rehabilitation & Employment

In addition to the outreach efforts mentioned above with respect to vocational rehabilitation and employment, VA provides letters explaining vocational rehabilitation services to veterans receiving a notice of either a first-

time award of VA compensation or an increase in VA compensation. VA also provides guidance and assistance to veterans already in the vocational rehabilitation program. VA has in place a strategy to provide early vocational rehabilitation intervention for active-duty service members who are hospitalized and awaiting discharge because of a severe injury such as a spinal cord injury.

Additional Outreach Initiatives – Insurance

VA notifies veterans of eligibility for Service-Disabled Veterans Insurance (S-DVI) or for Veterans' Mortgage Life Insurance (VMLI) at the time they are notified of a determination as to a service-connected disability or a grant for specially adapted housing. VBA's Insurance Service plans to advise recently separated veterans of the opportunity to apply for S-DVI upon receipt of a VA determination as to a service-connected disability and of S-DVI availability if they are on extended SGLI because of a disability. VA informs veterans that S-DVI may not be financially advantageous. In addition, the Insurance Service conducts annual surveys and periodic marketing surveys.

National Cemetery Administration Outreach Initiatives

The National Cemetery Administration (NCA) conducts outreach to inform veterans, veterans service organizations, the general public, and community/business and professional organizations of the various burial benefits VA offers. NCA personnel meet regularly with national service organization leaders, make presentations at national service organization conferences, and establish exhibit booths at national service organization conferences and other major organizational meetings. In addition, NCA has a highly regarded Internet site with interactive electronic mail.

Veterans Health Administration Outreach Initiatives

Significant outreach activities are also currently taking place in connection with enrollment of veterans for health care. In June 1998, to assist veterans with questions regarding eligibility reform policies, a toll-free veteran assistance

hotline was established at the Veterans Health Benefits Service Center. To date, the Veteran Health Benefits Service Center has responded to over 567,547 telephonic and web-based inquiries from veterans. To inform veterans about eligibility reform and enrollment, VA embarked on a nationwide public relations campaign, which consisted of special mailings, news releases, public service announcements, fact sheets and town hall meetings. Communication efforts are underway to inform veterans about changes in eligibility for medical benefits resulting from Public Law 106-117, the Veterans' Millennium Health Care and Benefits Act. Both the Readjustment Counseling Service (Vet Centers) and the Homeless Veterans Programs conduct continuous outreach activities as part of their mission to identify new eligible veteran beneficiaries.

In addition, VA, either independently or in partnership with other health care organizations, stakeholders, and veterans service organizations, initiates outreach activities to identify veterans and inform them about new diagnostic and treatment programs. For example, this type of outreach program is being conducted to screen and identify veterans who have the Hepatitis C virus. VA is collaborating with the American Liver Foundation, Hepatitis Foundation International, and the veterans organizations. Presentations were made at the annual meeting of Hepatitis Foundation International, at several veterans organization national meetings, and to VA's Council on Minority Veterans. The first meeting of the American Liver Foundation's Veterans Council was held in June 2000 to discuss barriers to outreach and to develop an action plan to overcome these barriers for veterans who are users of the traditional VA system of care and those who are not.

Communications/Accessibility

Focusing on veterans means improving how we communicate. VBA's Reader-Focused Writing (RFW) effort seeks to make our written communications readily understandable. We are rewriting our form letters in plain language. Focus groups show that veterans have a much clearer understanding of these

revised letters compared with letters previously sent by VA. This is no small undertaking. The number of documents which must be rewritten runs into the thousands.

In addition to the main toll-free number, 1-800-827-1000, special toll-free service is available to assist in obtaining more specific information on various programs such as compensation, health, education, life insurance, and headstones and markers. For example, the Education Regional Processing Centers and the Regional Loan Centers have special toll-free service and special service is available to Gulf War veterans through the Gulf War Helpline and to the hearing impaired through a Telephone Device for the Deaf toll-free service line. VA also has a toll-free bulletin board, VA ONLINE, which can be reached at 1-800-US1-VETS. VBA completed over 9 million telephone interviews during Fiscal Year 1999.

While we continue to focus on quality and timely processing of claims, we cannot lose sight of the importance of being accessible to veterans and beneficiaries when they place a call to one of our "800" numbers. I am pleased to report that VBA reduced its national blocked call (caller receives a busy signal) rate from 33 percent in February 1999 to 5 percent in February 2000. The improvement was the result of our nationwide implementation of the National Automated Response System (N-ARS). This system provides both veteran-specific interactive voice responses (IVR) from our mainframe computer system in the Hines Data Center, and generic informational messages to answer as many calls as possible with an automated response on a 24-hour basis. The Education and Insurance toll-free numbers offer IVR self-service features which allow veterans to access information in their own accounts and release forms and applications to themselves. Of course, our telephone system also allows callers to speak with VA staff to get answers to more specific questions. These systems provide better access for veterans, not only for compensation and pension benefits, but also for education, insurance, loan guaranty, and vocational rehabilitation benefits.

VBA operates a network of veterans assistance offices throughout the United States in support of its outreach mission. Public contact units exist at VA regional and satellite offices, as well as VA medical facilities, military installations, and itinerant sites. During Fiscal Year 1999, 1.2 million personal interviews were conducted at VA regional and satellite offices, itinerant sites, outreach activities, and VA medical facilities.

The Internet has greatly expanded our ability to reach and assist veterans and their dependents. Through VA websites, veterans and dependents can obtain extensive information about VA benefits, print benefit applications, request additional information, or get assistance with specific claims issuers. VBA's website may be accessed at www.vba.va.gov. All VBA offices are able to communicate with veterans and dependents via e-mail, if requested.

VBA has now developed an electronic version of the basic application for service-connected compensation and non-service-connected pension benefits and vocational rehabilitation. Known as Veterans On-Line Applications (VONAPP), this will allow veterans to access and fill out a claims form on the Internet and file it electronically with a VA regional office. Using "expert system" technology, veterans will be able to complete applications for compensation without detailed knowledge of the program. The beta test of this project began on June 19 at nine Business Process Re-engineering demonstration sites. If testing is successful, VONAPP will be available nationwide in September 2000. We have plans to add the education application shortly thereafter and other applications will be added as needed.

Annual Review

VA currently conducts an annual review of its outreach services program at each regional office. The reviews assess the nature of the services provided to special target populations, the assignment of required coordinators in particular areas, the sufficiency of the level of service delivery to each group, and the actions that have been initiated to correct any noted deficiencies.

These efforts show that we are deeply committed to outreach activities and are working continually to expand and enhance outreach efforts. While current law mandates that the Secretary advise veterans, upon service discharge, of the benefits and services available and distribute full information regarding benefits and services to eligible veterans and dependents, we have undertaken to do more in our outreach efforts. We believe VA's current outreach efforts serve to notify servicemembers and veterans and their dependents and survivors of the availability of benefits and allow them to make an intelligent assessment as to whether they would benefit by participation in particular programs.

Furthermore, we believe our efforts comply with the intent of the proposed legislation, which is to ensure that veterans and dependents are aware of and understand available benefits and services and are provided timely and appropriate assistance to aid and encourage them in applying for and obtaining such benefits and services for which they may be eligible. We believe that a more targeted approach better serves veterans. Based on the use of our programs, we believe that veterans and their dependents generally are fully aware of the benefits and services available to them. We question the necessity of such a prescriptive mandate as would be imposed by H.R. 3256.

VA also objects specifically to certain provisions of section 2 of the bill. First, we note that VA does not believe that the time of a request for burial or related benefits is the appropriate time to provide a veteran or dependent information concerning eligibility for other benefits and health care services. This is a very sensitive period for grieving family members, and we do not believe the process should be encumbered with requirements for provision of information which the family members may not desire at that time. Second, as written, this section could be read as requiring VA to treat all requests for burial or related benefits as initial applications for dependents' benefits. Treating all such requests as initial applications for dependents' benefits, would, in turn, obligate

VA to develop a significant number of additional claims, an endeavor which could overwhelm the claims processing system. We believe that the development of these additional claims would not necessarily result in benefit awards and could create a false sense of expectation of entitlement to benefits.

VA's estimate of the cost of H.R. 3256, which likely would include significant administrative costs, is under development. Because VA's current outreach and informational efforts are strong and improving, it is unclear whether any marginal benefits from the bill also would justify these increased costs.

Regarding the annual outreach plan, we point out again that VA already makes extensive efforts to identify veterans who are not receiving VA benefits or services. When we identify a group or population that we feel should be specifically targeted, we focus efforts on that group, for example, through town meetings, visits to homeless shelters, or coordination with DoD and other agencies. We have already identified and targeted the following populations: homeless veterans, women veterans, former prisoners of war, elderly veterans, Native American veterans, minority veterans, active-duty service members, and veterans in our medical care system.

In addition, VA is developing a Strategic Plan, which sets forth the long-term course and direction of the Department and includes a long-term strategy concerning access and effective outreach. The long-term strategy makes clear that VA is committed to providing veterans and dependents with easy access to information at a convenient time and place through various media. VA plans to distribute an interim draft strategic plan to stakeholders and will post it on the Internet for review and comments. We believe the development and publication of the Strategic Plan, which will include outreach goals, objectives, and

performance measures, provides a better means to promote continuous improvement and success in outreach efforts than the separate annual outreach plan contemplated by H.R. 3256.

Mr. Chairman, this concludes my statement.

STATEMENT

of

**Heather French
Miss America 2000**

before the

Subcommittee on Benefits

of the

**Committee on Veterans Affairs
United States House of Representatives**

**The Honorable Jack Quinn
*Chairman***

**July 12, 2000
Washington, DC**

Chairman Quinn and Ranking Member Mr. Filner, I thank you for the opportunity to present my views here today as Miss America 2000 while I serve as a national role model and advocate for our homeless veterans. I care about our veterans because, first and foremost beyond the crown, I am the daughter of a disabled Vietnam veteran whose struggles have changed my life forever.

As the first Miss America of the new millennium I have chosen to do so as a bold spokesperson and advocate for our nation's homeless veterans. I have dedicated, not just my year of service, but also my life to creating unprecedented awareness surrounding this issue. I travel over 20,000 miles each month speaking to as many citizens as I possibly can about the needs of these heroes. And I will continue to do so and ask the news media to join me in a partnership that informs and educates young and old alike because I believe their stories deserve to be heard. The story of our veterans is one of ultimate sacrifice, the greatest of love stories, because these soldiers were once willing to lay down their lives for our nation.

Since becoming Miss America in mid-September, 1999, I have been visiting veteran programs all over the nation, from VA programs, to community-based nonprofit organizations, to Stand Downs which are community events held by many organizations and government agencies for outreach to veterans. I have been able to hear countless personal stories of veterans and observe first hand different community-based programs serving the needs of these forgotten heroes.

Today my testimony reflects the position of those community-based providers who are part of the National Coalition for Homeless Veterans (NCHV).

Homeless veterans who have special needs, veterans who have hit the very bottom, including those with long histories of substance abuse, severe PTSD, serious social problems, those who have legal issues, and those who are HIV positive often are shunned by other programs and services. These veterans require more time consuming, specialized, intensive assessment, referrals, and counseling than is possible in other programs that work with other veterans seeking employment.

How did these veterans get to be unemployed and homeless? Each veteran has their own story, but we know that when they are not working they lose their self-respect, which can lead to substance abuse, legal problems, and relationship issues. The decline continues until the formerly proud veteran has nothing and is on the street with so many barriers to employment that there is no clear beginning point for the road back.

When homeless veterans connect to a community-based organization serving veterans their common background serves as a unifying factor as they begin to reconstruct their lives. Recognition of this unity is a key to their individual success. Just as 10 weeks of Boot Camp brings together recruits from all races, cultures, and backgrounds and melds them into a cohesive group who talk the talk and walk the walk, and work as a team with a unified sense of purpose, homeless veteran providers reach out to end the isolation of homeless veterans, bringing them together again into a diverse group working toward a common task... finding a job, securing the job, and keeping the job.

The keys to veterans' success are: finding stable housing or shelter; having a place to go where they feel comfortable and can enhance their self-esteem; and, being allowed the opportunity to pursue and be supported in their efforts for seeking employment. Service providers are committed to helping veterans overcome past failed attempts in employment. When veterans recognize the benefits and are motivated, they can be successful in obtaining employment and becoming productive members of the community.

The alternatives to getting these homeless veterans back to work are to have them continue to rotate through programs that don't provide an employment component, long term hospitalizations due to declining health caused by homelessness, to be a burden to state's welfare programs, and finally death on our streets.

HR4765, 21st Century Veterans Employment and Training Act

Priority of Service

The priority of service for veterans in Federal employment and training services is a right that has been **earned** by all veterans. These are the men and women who have **raised their right hand and sworn with their life** to “support and defend the Constitution of the United States against all enemies, foreign and domestic; that I will bear true faith and allegiance to the same; and that I will obey the orders of the President of the United States and the orders of the officers appointed over me, according to regulations and the Uniform Code of Military Justice.”

It is unacceptable to think we would not offer these defenders of our nation a priority to be served by Federally funded programs, especially since veteran specific employment programs comprise only a small portion of Federal job training funding. As many of National Coalition for Homeless Veterans' member organizations report, veterans are dramatically underserved because local and state non-veteran specific providers see them as a Federal problem.

Employment of veterans with respect to Federal contracts

In the measurement and reporting area the bill seems to need additional comparison criteria in terms of number of general population referred and placed compared to number of veterans referred and placed.

Enforcement of veterans' employment rights and benefits

In terms of the additional personnel to provide enforcement of veterans' employment rights NCHV would suggest that the Secretary of Labor not just be “authorized” to allocate 10 additional full-time positions but “shall” allocate 10 additional full-time positions. This would ensure that the enforcement receives a priority for veterans.

Modernization of Veterans Employment and Training Services

Establishment of 5-year demonstration program

Community-based veteran serving providers, particularly those serving veterans with significant barriers to employment, have little access to Federal funding except through the states or through the Homeless Veterans Reintegration Program (HVRP).

HVRP has received record-breaking support from this committee and appropriations for FY2000 reached an all time high of \$10 million. Even with this increase the amount becomes insignificant when you compare it to the approximately \$158 million for the Disabled Veterans Outreach Program (DVOP) and Local Veterans Employment Representative program (LVER).

These two programs, DVOP and LVER, should be serving the veterans with significant barriers to employment but often cannot because these veterans have complex problems that need a holistic case management approach. Homeless veterans most often are deeply impoverished and suffer from substance abuse or mental illness, along with life threatening medical issues such as Hepatitis C and HIV maladies. They also have spotty employment history and lengthy periods of unemployment and often have legal issues that can prevent employment.

Community based organizations serving veterans provide a plethora of support services along with housing for these veterans that can assist with removing these barriers to employment. A demonstration program that would provide for competitive grants within states could provide access to funding for these community based organizations in areas where the DVOP and LVER programs are not available or do not have the ability to deal with those veterans with significant barriers to employment. These organizations have proven their success at obtaining employment for those most in need and should be given the opportunity to compete for these resources.

A demonstration program would provide the opportunity to build partnerships within a state for employment services to veterans with significant barriers to employment. Incentive grants should also have weighting criteria to ensure veterans with significant barriers to employment are served.

Establishment of performance standards and outcome measures

NCHV members have expressed their support of a performance accountability system that would ensure poor performance is addressed and good performance is rewarded within the veterans' employment and training services funded by the Federal government.

The weighting of criteria for providing services to veterans with significant barriers to employment should provide incentive for states and staff to serve these veterans and work with community-based providers.

Employment, training, and placement service personnel

NCHV members support the concept of continuity in the Veterans' Employment and Training Service leadership positions. The proposed, five years of continuous service in the Federal service in the executive branch immediately proceeding appointment as Deputy Assistant Secretary, may eliminate qualified veteran candidates that have in depth knowledge and experience in employment of veterans. NCHV members offer an alternative to have open competition of candidates that have acquired similar skills, ability, and knowledge outside the federal government.

Committee to Raise Employer Awareness of Skills of Veterans and Benefits of Hiring Veterans

Our nation has invested billions of dollars into the education and training of the persons that serve in our military it makes sense to remind employers that veterans are a good risk as employees.

Even those veterans that have significant barriers to employment that are in community-based transitional programs have significant advantages over those non-veterans. They usually have a higher education level, have proven successful at employment during their military service, and are in a supportive environment that assists with continual case management that includes maintaining their employment.

It is critical that community groups representing organizations serving veterans with significant barriers to employment be included in the committee membership so these veterans receive the benefits of a marketing campaign.

Study on Economic Benefits to the US of Long Term Sustained Employment of Veterans

NCHV members agree that this proposed study would be beneficial in understanding the economic benefits and to assist in developing future initiatives. The concern is over the length of the project in that eighteen months may not be sufficient to develop, gather, analyze data and offer suggestions. An alternative suggestion is to lengthen the period to thirty months.

HR3256 Veterans' Right to Know Act

Veterans I have met this year often express that they did not know of services and benefits available to them through the Department of Veterans Affairs. I support the concept of improving outreach programs by the Department of Veterans Affairs.

As my year of service continues I will share my personal encounters with these forgotten heroes that I have met. I have seen in their faces the face of my own father and I can tell you that the most beautiful faces in this nation are not those whose heads are adorned with crowns but those who have borne the battle...our veterans.

Having looked into the eyes of men and women who were once decorated with medals only now to be replaced with broken spirits I encourage this committee to implement policy changes that will serve those veterans with significant barriers to employment.

Thank you for this holding this hearing and for your commitment to all our nation's veterans.

VITAE

Heather French
Miss America 2000

Education:

University of Cincinnati
Pursuing Master's Degree in Fashion Design & Illustration
Bachelor's Degree in Fashion Design
Recipient of more than \$80,000 in Miss America Scholarships

Ambition:

To complete a Master's degree. Also to complete fashion illustration textbook for college-level design students. To pursue a career as a designer of women's career wear.

Platform:

The Forgotten Heroes: Honoring Our Nation's Homeless Veterans

Statement on H.R. 4765

**The 21st Century
Veterans Employment and Training Act**

**Anthony J. Principi
Chairman**

**Congressional Commission on Servicemembers
and Veterans Transition Assistance
(Established Pursuant to Public Law 104-275)**

**Subcommittee on Benefits
Committee on Veterans' Affairs
U. S. House of Representatives**

July 12, 2000

Chairman Quinn, Ranking Member Filner, and members of the Subcommittee, I am delighted to appear before you this morning. It's particularly significant that I come before you in this room where Commissioners first gathered as a group in late 1997, and this same room where I had the good fortune to join Senator Dole in presenting the Commission's findings and recommendations to the full committee in February two years ago.

H.R. 4765 Anticipates the Challenges for a New Century

Representatives Quinn and Filner, I applaud you mightily for your visionary leadership on this bill. Veterans and the Disabled Veterans Outreach Program Specialists (DVOPs), Local Veterans Employment Representatives (LVERs), Employment Service (ES), and Workforce Investment Act (WIA) One-Stop Career Center staff that serve veterans need your leadership for many different reasons:

- veterans bring a unique combination of skill, discipline, character, and talent to the marketplace;
- although hiring veterans is a good business decision, veterans are indeed a unique national resource that too often goes unrecognized and underused;
- the delivery systems of the past will not meet the demands of the future, as indeed the Wagner-Peyser Act had its genesis in the Great Depression;
- as Vice President Gore has pointed out, while our federal government has long opposed private monopolies, it has deliberately created public ones;
- although our country's economic, social, and military environment have changed dramatically, the legal framework, policy, and operational direction governing the provision of employment services to veterans remain from an earlier era;
- grants for veterans employment programs are awarded on a noncompetitive basis without financial penalty or reward based on performance or cost effectiveness;
- the current veteran unemployment rate may be more the result of a robust economy than the programs established to help veterans in finding employment;
- veterans employment services are provided in accordance with prescriptive and inflexible process-oriented provisions that have become obsolete as employment service delivery methods have evolved; and

- servicemembers' and veterans' employment services, as they are now constituted, organized, and delivered, will not be adequate or effective for helping servicemembers and veterans find jobs in the 21st Century.

Mr. Chairman, what do unemployed veterans and the dedicated DVOPs, LVERs, and ES staff who serve them need for the 21st Century? They need a game plan that reflects how the rules and players have changed. One need only look at the preface of the Committee's bill to appreciate the dimensions of that plan:

to improve employment and training services provided to veterans and disabled veterans by requiring the use of measurable performance outcomes in an era of electronic-based self services and one-stop career centers.

In short, what H.R. 4765 does is nothing short of designing a new, nationwide service delivery system for veterans. The Commission applauds the Committee's engaging leadership.

Why Servicemembers and Veterans Will Benefit from H.R. 4765 Now

Mr. Chairman, despite the dedicated efforts of DVOPs, LVERs and ES personnel, there is irrefutable data to show that veterans in some parts of the country are not receiving effective employment and training services. We have very good employees trapped in an outdated system – a system they did not create. Nor did they create the rules of the game, but the Commission had to make its own judgements as we watched each play unfold. Here are a few examples of the kinds of challenges the Commission reported and I believe the Committee's legislation will address head-on:

- according to DOL's 1997 Annual Report, only 12 percent of veterans who registered with the Employment Service obtained permanent employment;
- fewer than one percent of job-seeking veterans receive case management services intended for veterans with barriers to employment;
- according to DOL's 1997 Annual Report, nine states met DOL performance standards while placing fewer than 10 percent of veteran registrants; and
- the Gallup Organization's "National survey of employers," commissioned by the Commission, found that only about one quarter (26 percent) of employers actively recruited veterans. When asked where employers looked to hire veterans, almost half (48 percent) incorrectly identified VA, and one-quarter (25 percent) cited the local Job Service office in their State.

The Commission believes that this performance is an inadequate return on taxpayer expenditures of about \$180 million per year. Veterans deserve better.

Department of Labor Recalcitrance

The average "entered employment" rate for Program Year (PY) 1996 was 25.09 percent; for PY 1997 it was 26.6 percent; and for PY 1998 it was 26.71 percent. Sadly, this means that about three of four veterans who seek jobs through the Job Service do not get jobs, at least within 90 days.

Mr. Chairman, ever since the Commission published its report, the Department of Labor has attempted to convince you and others that their performance was better than the numbers indicate. Unfortunately, after three years of woeful complaining, DOL still doesn't have good data. Neither the Congress or the Commission can legislate integrity in DOL performance data.

How disappointing it is to me, personally, that it has taken a report of the Commission, a 1997 and 1999 report of the GAO, a hearing by the Committee's Subcommittee on Oversight and Investigations on Effectiveness and Strategic Planning of the VETS' program, and this Subcommittee's engaging legislation for the DOL to come forward and report to Congress that its data lack integrity. Further, getting DOL to articulate its vision as to what VETS should look like five years from now has been exasperating. DOL's response typically has been "the Commission's vision is flawed." Fine, what is DOL's vision? GAO's Ms. Carletta C. Joyner, testifying at Chairman Everett's July 29, 1999, Subcommittee on Oversight and Investigations hearing said, "...[DOL VETS's revised 1999 strategic plan and fiscal year 2000 performance plan] lacks vision and clarity and does not provide a roadmap outlining the direction the agency needs to take."

The Committee Bill/Commission Recommendations Often Are Conceptually Similar

In comparing the Committee's bill and Commission recommendations, I take a small measure of satisfaction on behalf of Commission members in the number of Commission-identified issues and recommendations that seem to help inform H.R. 4765.

Section 2. Priority of service for veterans in federal employment and training programs. This section of H.R. 4765 would furnish priority of service for veterans with a service-connected disability, a campaign ribbon, and certain spouses in all Federally-funded employment and training programs for which they are eligible. It also requires federal contractors and subcontractors to list employment openings immediately through the appropriate employment delivery system and offer veterans priority referral for such openings.

Mr. Chairman, this is an excellent provision and the Commission especially applauds Ranking Member Filner for his vision on this issue.

Veterans are not another special interest group deserving of a special employment program. Veterans are a diverse group of individuals who have served their country and have diverse transitional employment and training needs. As a matter of United States policy, veterans fundamentally deserve more because they have earned more by virtue of their service to the Nation -- be it three years or 30 years.

The Commission proposed similar legislation that included recently-separated veterans (Public Law 105-220, the Workforce Development Act of 1998, defines "recently separated" veterans as being within 48 months of separation) and veterans with employment barriers.

Section 3. Modernization of Veterans Employment and Training Programs. This section seems to be the essence of H. R. 4765. I'll describe and comment on selected provisions in two parts.

Part One. In general, this section would require the Secretary of Labor to establish and implement a comprehensive performance accountability system by September 30, 2001, and creates a five-year "demonstration" program characterized by:

- a seven-person advisory panel to advise the Secretary from the perspective of DVOPs, LVERs and others on implementing the demonstration program;
- submission by each State of a five-year strategic plan stating how the State will furnish services to veterans;
- a funding authorization requiring that funds appropriated for veterans' job services for fiscal year 2001 and each succeeding year be at least equal to fiscal year 2000, plus amounts needed to furnish annual increases in salaries;
- an annual "base" grant of 95 percent of the amount historically provided for DVOP/LVER services the first year, 92.5 percent the second year, and 90 percent in each of succeeding three years to be awarded to the States; establishes an annual "incentive" grant that is the difference between the total amount and the base grant each year;
- a \$10 million incentive grant for fiscal year 2001 and each subsequent year; and
- a Labor Market Area pilot program in which a State could propose to offer services through alternative means if veterans employment and training services in that area

fail to meet limited performance requirements; if approved by the Secretary, States could solicit applicants competitively to provide such services; no State could compete more than three such areas over five years and not more than ten States could participate, on a first-come, first-serve basis.

Mr. Chairman, the provisions embodied in Part One are conceptually similar to several of the Commission recommendations and we support them. The Commission concluded that:

the Nation has learned that competition and accountability enhance beneficiary-based response service . . . grants for veterans' employment programs, however, are awarded on a non-competitive basis without financial penalty or reward based on performance or cost effectiveness.

The Commission proposed competing current DVOP and LVER-furnished services in each State, so that the most cost-effective organizations provide services. Nevertheless, I find the limited, competitive pilots authority embodied in H.R. 4765 as very much worth doing because such pilots will stand or fall on their own merits. Plus, the pilots are discretionary, not required. I note that Congress created the Montgomery GI Bill and the Transition Assistance Program through statutory pilot testing. I suggest the Committee add a formal evaluation of the employment pilots to its legislation.

Apart from the limited pilot authority, I find the Committee's provision to require the States to compete among themselves for "base" and "incentive" dollars to be excellent because as Vice President Gore has pointed out. . . it is in service delivery that competition yields results – because competition is the one force that gives public agencies no choice but to improve.¹ All State Employment Security Agencies (SESAs) will have an equal opportunity to excel. States currently not excelling will have a fresh opportunity to do so – and to be rewarded for it through incentive dollars.

Mr. Chairman, even in this robust economy, DOL "entered employment" data for veterans show that over the past three program years (1996, 1997, 1998) four of five veterans that went to Job Service offices in New York and California did not get jobs. Yet in Texas, almost 40 percent got jobs and in Illinois about one in three got jobs. DVOPs and LVERs are resourceful and engaging people. If we challenge and reward them, they will succeed because they believe in what they are doing. The Commission spoke with DVOPs and LVERs firsthand in Baltimore, Denver, Charleston, and Norfolk. These are not running backs who step onto the gridiron waiting for their linemen to open up a hole. DVOPs and LVERs hit the line of scrimmage with full force and make things happen. This bill rewards them for doing so. And the Committee's approach is fair

¹ Creating a Government that Works Better and Costs Less, Report of the National Performance Review, Vice President Al Gore, September 7, 1993, p. 54.

because it provides greater credit for placing veterans with employment barriers in jobs and takes into consideration prevailing economic conditions that could affect a State's performance.

The Commission, too, recommended clear outcome measures and revised reporting requirements, basing such measures on GAO's May 1997 HVAC testimony in this area.

Part 2. Section 3 of H. R. 4765 also makes a number of changes to rather rigid, prescribed administrative processes governing the delivery of veterans' employment and training services in chapter 41 of title 38, USC. These include, but are not limited to:

- requiring the Secretary of Labor to identify appropriate titles and functions of DVOPs, LVERs, DVETs and ADVETs within 180 days, in light of the WIA and availability of service through America's Job Bank and America's Talent Bank, for example;
- removing rigid, inflexible methods for assigning DVOPs/LVERs to local offices;
- removing the DVOP/LVER funding formula that Congress has not used in a decade;
- creating a "virtual" one-stop veterans job service "office" worldwide; and
- requiring that the Deputy Assistant Secretary for Veterans Employment and Training be a career civil service position.

Mr. Chairman, the Commission supports these provisions.

We found that although DVOP and LVER programs were created separately for different purposes, there is, in fact, little difference in the day-to-day customer service provided to veterans by staffs of these programs. DVOP and LVER staff spend most of their time on two tasks: (1) intake and assessment, and (2) job search and referral. The Commission recommended replacing the DVOP and LVER programs with a new Veterans Case Manager program to provide job-seeking skills, job development, and referral services to disabled veterans, veterans facing employment barriers, and a new Veterans Employment Facilitator program to facilitate TAP workshops and market veterans' employment to local employers.

The Commission was delighted Congress made the Assistant Secretary for Veterans' Employment and Training an ex officio member of the Commission. The Assistant Secretary participated in all Commission meetings and deliberations and was privy to – and encouraged to comment on – all working papers, decision papers, and drafts of the report. The Commission sees little value that would be added to the current body of

analysis by the Congress requiring the Labor Department to study this matter even further.

H.R. 4765 removes the DVOP/LVER funding formula and the rigid strictures for assigning DVOPs and LVERs. This provision makes sense because indeed one size does not fit all. Washington does not have these answers. SESAs are better positioned to make service-delivery decisions. Instructive in this matter is Commission testimony of Dr. Carol D'Amico, Senior Fellow of the Hudson Institute:

We need to consider government's role in providing labor market information job placement services, and job training. These (veteran-specific) programs were initiated in 1945 and were created, obviously, for a different era, economy, and worker. Federal job training programs are rooted in the 1960's and affect such a small percentage of the population. We need to rethink the government's role in providing labor market, job training and placement services that consider today's technology and the growth of the private sector in these areas.

My sense is that the SESAs will represent a wellspring of growth and change if Congress unshackles them from overly prescriptive and outdated staffing allocation requirements currently embodied in chapter 41 of title 38, USC. Witness the "bottom-up" leadership of the States in developing their State Job Banks. States' efforts have contributed to America's Job Bank and America's Talent Bank, among other innovative services. Witness, too, the leadership of Mr. Glen Halsey and Mr. Joe Hollingshead of the California Economic Development Department in creating a TAP-type program well before Congress created a pilot TAP program in the late 1980's.

Making the DASVET a career position would seem to provide the potential for greater continuity of expertise and management accountability at the Veterans' Employment and Training Service (VETS); it is a sensible provision, in my opinion.

The Committee's provision creating an Internet-based one-stop job service office for servicemembers and veterans appears conceptually similar to the Commission's recommendation that the Secretary of Labor create a Veterans' and Servicemembers' Internet Site (VASIS). VASIS would be an electronic location designed for both employers seeking veterans and veterans seeking employment.

Mr. Chairman, I can say unequivocally from the discussions fellow commissioners and I had with Army enlistees at the 38th parallel (Camp Casey) in Korea; Marines at Camp Hanson, Okinawa; sailors at Navy Base Pearl Harbor, Hawaii; airmen at Ramstein Air Base, Germany; and Coast Guard personnel here in Washington, that the Committee's virtual one-stop Job Service office will be well received by servicemembers.

In Germany, the Commission also spoke with the Deputy Commander-in-Chief for the United States European Command, a four-star general. He offered a telling comment: "It is difficult enough for me as a general officer stationed abroad to make contacts with prospective employers, as I am preparing to retire. Just think of how hard it is for our young soldiers, sailors and airmen to find jobs from military posts so far from home."

Veterans will benefit too from this provision because the Commission found that the majority of America's all-volunteer military have marketable job skills and are highly employable. Needs of most veterans will be met by giving them informed access to high-tech tools. The virtual one-stop office in this bill should be developed with links to each SESA and should augment – not supplant – what the States are already doing.

Section 4. Committee to Raise Awareness of Skills of Veterans and Benefits of Hiring Veterans. This provision authorizes \$3 million to create the *President's National Hire Veterans Committee* to market employment attributes of veterans to employers.

Mr. Chairman, this provision is conceptually similar to the Commission's recommendation that Congress create a Presidential-appointed Veterans' Employment Network to raise awareness, facilitate employment, and direct and coordinate marketing initiatives. The Commission supports the Committee's provision.

We believe employers will be more likely to seek out veterans as potential employees and to hire them when they apply for jobs if they know the personal attributes and worker characteristics that servicemembers develop in military life. Each employer who understands that hiring a veteran is a good business decision will create more job opportunities for veterans.

As I said earlier, the Gallup Organization's "National Survey of Employers Concerning the Hiring and Job Performance of Veterans of the United States Military" conducted during the summer of 1998 found that only about one-quarter (26 percent) of employers actively recruited veterans. What more emphatic statement of United States policy can we make than to create this committee under the auspices from the very highest of level of our government? In addition, what an emphatic message to send to those who have worn the military uniform as to the value our nation places on their positive transition to civilian life.

Mr. Chairman, the Commission takes exception to those who may characterize this as a "feel good" provision. Here's why:

- *The President's Committee* will create jobs for veterans, just as the President's Jobs for Veterans Committee and the National Alliance of Business during the Vietnam Conflict did.

- The costs avoided in unemployment compensation for recently separated veterans -- and other veterans -- to the service branches and the States, respectively, will geometrically offset the \$3 million annual cost.
- The *Ad Council* generates for the *National Committee for Employer Support of the Guard and Reserve* tens of millions of dollars in free media messages each year. The Commission believes the President's Committee would have a similar potential.

Section 5. Sense of Congress Commending Veterans Service Organizations. This section commends these organizations and asks them to make personal computers with access to electronic job placement services available at local posts.

Mr. Chairman, the Commission did not make a recommendation in this regard, but I believe the commendation is appropriate because of the many VSO chapters and posts throughout the U.S. and overseas and their potential to serve veterans.

Further, it is my understanding that the Veterans of Foreign Wars of the United States, for example, has become a financial partner in vetsjobs.com, a veteran-run company that helps veterans find long-term careers. The Non Commissioned Officers Association of the United States sponsors a Job Fair each month for separating servicemembers and veterans, including overseas. I applaud these initiatives.

Section 6. Study on Economic Benefits to the United States of Long-Term Sustained Employment of Veterans. Under this provision, the Secretary of Labor would contract for a study to quantify the economic benefit to our nation attributable to SESAs helping veterans find solid employment.

Mr. Chairman, the Commission supports this provision because veterans are a unique aspect of our nation's human capital.

Hiring veterans is a good business decision. With enactment of H.R. 4765, SESAs and VETS should be better positioned to attain the job outcomes for veterans that we expect. The Veterans' Affairs Committees might also be better positioned to be a funding advocate with the Appropriations Committees.

Conclusion: More Money and Better Data Is Not the Answer

Mr. Chairman, the Commission occasionally heard comments such as (1) there is no significant problem with VETS' performance because more veterans actually get jobs than VETS data suggest, and (2) funding DVOPs and LVERs in accordance with the chapter 41 formula will fix the problems that may exist. The Commission does not share this view.

Mr. Chairman, what is an "acceptable" figure to the Congress – two of four vets registering with the ES getting jobs instead of one of four? Three of four getting jobs? Four of four? Is the Appropriations Committee likely to furnish more money for an outdated VETS delivery system created by Congress in an era that pre-dated the WIA, GPRA, and the availability of jobs through AJB and ATB without having to visit a Job Service office? The Commission suggests not. "Paving the cow path" is not the answer.

Chairman Quinn and Ranking Member Filner, the Commission recorded the gains and losses as it saw them. If the new millennium is the first quarter of a new gridiron contest, the Commission suggests H. R. 4765 starts off that game with an 80-yard touchdown run. As former Washington Redskins coach George Allen used to say, "the future is now." It's now because the Committee's bill will reward the performance of our dedicated DVOPs, LVERs, ES, and One-Stop Career Center personnel who play the game day in and day out in each State. Further, the Committee bill will allow SESA directors, Job Service office and One-Stop Career Center managers to coach the team in a way that unleashes innovation and energy in service delivery rather than constraining it by outdated, process-oriented rules and equal funding for unequal performance.

Mr. Chairman, in closing I'd like to acknowledge and thank four highly-decorated Vietnam combat veterans who essentially led the Commission's work on veterans' employment and training matters. The 12 members of the Commission accepted their analysis and recommendations unanimously. I applaud their leadership.

They are Ronald W. Drach, retired national director of employment for the Disabled American Veterans, who was named to the Commission by the Honorable Jay Rockefeller; Michael Blecker, executive director of Swords to Plowshares, Inc., who has served veterans for almost 30 years and was named to the Commission by the Honorable Ronald V. Dellums; Brigadier General Robert L. Stephens, USA (Retired), formerly deputy director of both the West Virginia and Georgia State Employment Security Agencies, who also was named to the Commission by Senator Rockefeller; and Thomas E. Harvey, formerly Chief Counsel of the Senate Committee on Veterans' Affairs and Deputy Administrator of the Veterans Administration who was named to the Commission by the Honorable Alan Simpson. I am also pleased to acknowledge the invaluable role of the Commission's Vice Chairman, G. Kim Wincup, who took a special interest in employment and training matters; Mr. Wincup served formerly as Assistant Secretary of the Army for Manpower and Reserve Affairs and as staff director of the House Armed Services Committee.

I appreciate the opportunity to express the Commission's strong support for H.R. 4765. Mr. Chairman, this concludes my statement.

**Testimony of
Espiridion 'Al' Borrego
Assistant Secretary for Veterans' Employment and Training
U.S. Department of Labor
before the
Benefits Subcommittee of
the Veterans Affairs Committee
U.S. House of Representatives**

July 12, 2000

Mr. Chairman and Members of the Subcommittee:

I appreciate the opportunity to address the Subcommittee on veterans employment and training issues as contained in H.R. 4765, the 21st Century Veterans Employment and Training Act.

I would first like to discuss the activities that have been undertaken by the Department of Labor's Veterans Employment Training Service (VETS) to enhance the provision of services to veterans and accomplish one of the key objectives of H.R. 4765, which is to update and modernize employment and training programs for veterans. I will then share with you the Department's concerns regarding the bill.

Let me preface these remarks by bringing a message from the Secretary of Labor: as she has said before and stands by, veterans' issues are America's issues. The veterans' population represents more than 14 million working Americans and according to the most recent statistics from Program Year 1998, 1.8 million or 12% of those veterans registered with the Employment Service for job-related assistance. This number does not include those that only access the electronic job services made available by the Department. The Secretary and VETS are committed to ensuring that the employment and training system of the 21st Century serves these veterans effectively.

One of the essential elements to ensuring the effective provision of services is to implement a performance accountability system that measures and holds VETS accountable for the employment outcomes attained by the veterans we serve. We have invested significant effort in developing a strategic plan and performance measurements in accordance with the Government Performance and Results Act (GPRA), and, with input from the General Accounting Office, are in the process of refining the plan. VETS has also worked closely with the Department's Employment and Training Administration (ETA) and our State partners to refine the performance measures. Ultimately the actions taken by our agency are evaluated based on one standard - are they helping more veterans get and keep good jobs.

As part of this accountability system, VETS has also redefined the way we manage the grants awarded to the States to deliver employment services to veterans. VETS establishes goals for the States and reviews their performance in meeting those goals. In addition, we have decentralized agency management to the States and regions and away from the national office. VETS has provided greater authority to the State Directors of Veterans Employment and Training to tailor our programs

to respond to particular State needs and to meet the challenges and opportunities presented by implementation of the Workforce Investment Act of 1998 (WIA). We will continue to refine our performance goals to ensure that our programs are meeting the national commitment to provide maximum employment opportunities to veterans.

VETS is also responding to the opportunities provided by new technological developments. The Secretary has put the Department of Labor in the forefront of the Federal government's effort to prepare the 21st Century worker for a 21st Century career. The Department has taken a leadership role in meeting the needs of the high technology industry while that same technology changes how we live, work and learn. VETS has established a certification and licensing initiative, which includes a pilot program with the Computer Technology Industries Association and the Using (your) Military Experience and Training (UMET) website, especially tailored to transitioning military personnel and veterans who may need a credential for civilian employment. In carrying out the certification and licensing initiative, VETS has worked with Federal and State agencies, certifying agencies, and American business to ease the transition of separating military personnel into the civilian economy. VETS recently received the "Hammer Award" in recognition of this effort. This is an example of how VETS is staying on the cutting edge of innovation to promote employment opportunities for our Nation's veterans.

VETS has also incorporated new Internet based technologies to facilitate access to services. The VETS home page is easily accessible and offers a full range of self help options for many veterans. In 1997 we produced a compact disc (CD) to help direct service providers to the many sources of information on the web including our home page. Shortly, we will have 'business card' size CDs to guide individual users through the veterans services available on the Internet, from personality assessments and job aptitude tests to job search engines and guides to veterans benefits, and everything in-between. This CD is primarily intended for transitioning personnel, but other veterans will also benefit from the links provided on the CD. This is in conjunction with our home page on the web, which is found at www.dol.gov/dol/vets/.

We must also ensure that services are available for veterans with particular needs, including homeless veterans. Working with the Subcommittee, VETS has been able to reestablish the Homeless Veteran Reintegration Program. This year VETS was able to give 43 grants amounting to \$8.2 million. Your efforts in support of this program have allowed us to help bring back dignity and self worth to thousands of previously homeless veterans. For Fiscal Year 2001, the President has proposed that \$15 million be appropriated to carry out this important program.

It is also essential to ensure that the services provided through VETS are closely integrated with and complemented by the larger workforce investment system. The enactment of the WIA, the first major reform of the nation's job training system in over 15 years, affords a critical opportunity to enhance the range and quality of services available to veterans as well as to the general population.

The WIA has been described in a New York Times article as "one of the best, but most under-reported, bipartisan achievements of the Clinton era." Enactment of this legislation was the culmination of a successful bipartisan effort on the part of the Administration and Congress to design a revitalized system that provides workers with the information, advice, job search assistance,

education, training, and support they need to get and keep good jobs, and that provides employers with skilled workers. The One-Stop delivery system that is the cornerstone of the reforms has been designed with the participation of employers, labor organizations, education and community groups, and veterans service organizations, which have a large stake in its success. Reflecting the Secretary's proactive approach to services for veterans, VETS has been a full partner in the implementation of the WIA. We have actively encouraged veterans organizations to be part of the planning and implementation process, including participating as members of the newly established local Workforce Investment Boards. We have also provided technical assistance to promote the effective participation of the programs VETS administers in the workforce investment system.

WIA includes a number of features that will benefit veterans and other participants. Eligible individuals may use the Individual Training Accounts (ITAs) to obtain training at qualified institutions. Individuals are empowered to make informed choices regarding training providers through a system of consumer reports available at all One-Stop centers. The One-Stop system will also make available labor market information and other core employment-related services, and provide access to the activities carried out by a range of Federally-funded workforce development programs (referred to as partners under the WIA). This WIA partnership, which includes veterans services as a required partner, will provide new avenues and linkages that will enable our State-funded staff to better serve veterans. I believe such integration is the wave of the future in Federally-funded programs.

As part of the effort to enhance access to employment-related services, the Department has created America's Career Kit, a group of Internet tools that help American workers and employers navigate the labor market (America's Job Bank, America's Talent Bank), exercise informed choice in their workforce decisions and make training decisions linked to occupations that are experiencing skill shortages. Veterans and soon to be veterans can benefit from America's Career Kit from anywhere in the world.

On July 10 Vice President Gore announced another important step in enhancing access to services: Access America for Workers through the release of the workers.gov web site. Workers.gov is the result of a multi-agency effort led by the Department. It provides veterans and other users with an extensive set of links to government agencies, nonprofit organizations, and educational institutions and includes up-to-date information regarding workforce issues. This includes information on jobs, learning, family and health, transportation and housing, and financial management issues.

I believe these efforts to modernize and enhance employment and training services for veterans are essential to ensuring significant employment opportunities for veterans in the 21st Century. We believe these are the appropriate approaches to improving our programs. While some of these approaches would be supported by H.R. 4765, we have significant concerns regarding many of the bill's provisions.

First, H. R. 4765 would provide a priority of service for veterans or spouses of certain veterans in Federal employment and training programs. The Department of Labor has for some time advocated the principle of "fair share" for veterans in Federal programs. The Department has met this commitment in the past through the Job Training Partnership Act (JTPA), and intends to ensure it is met under the WIA, which requires assurances regarding services to veterans be included in each State plan and requires separate reporting on the outcomes attained by veterans receiving WIA services. The Department believes this is the appropriate approach and that veterans will have enhanced access to

employment and training services through the One-Stop delivery system under the WIA. We therefore do not support enactment of this provision.

Second, the bill requires the Secretary to establish and implement a comprehensive performance accountability system by September 30, 2001 to measure the performance of States, political subdivision of States, regions, and individuals providing veterans, employment and training services. While we support incorporating the performance indicators of WIA as part of this system, we believe it is essential that VETS programs be assessed using Unemployment Insurance (UI) wage records in measuring placements and retention in employment, as is used under WIA. We believe the current methodology results in understating the placements in employment attained by veterans served under our programs.

In this vein, VETS asked the State of Maryland to match UI wage records with Employment Service registration to determine when veterans actually became employed. When the job service office registrations were compared to the UI wage records, the data showed Program Year 1997 veteran registrants entering employment at the rate of 76.1 % in the six quarters following registration. The current methodology showed Program Year 1997 veteran registrants "entered employment" at the rate of 27.5%. The Maryland matched data for the first quarter following registration showed an "entered employment" rate of 54.1% or almost twice that rate. What makes these higher rates even more impressive is the fact that the data measures employment only in Maryland and only for non-governmental entities - they exclude employment located in surrounding States, and employment for the Federal, State and local governments. Similar comparisons of the methods for measuring placements in Texas, Missouri and Montana produced similar results.

Third, the bill repeals the statutory duties of the Disabled Veteran Outreach Program (DVOP) specialists and Local Veteran Employment Representatives (LVER). We acknowledge that these duties should be revisited, taking into account the electronic age in which DVOPs and LVERS now work and their additional activities, such as facilitating Transition Assistance Program workshops. However, we believe it is premature to repeal the current provisions. We would support the bill's provision providing for a report by the Secretary containing recommendations relating to the duties to be carried out by DVOPs and LVERs, and believe such recommendation could provide a basis for subsequent amendments. However, it is important that changes be made in a deliberative manner after input is obtained from all relevant stakeholders.

Fourth, the bill would repeal the current formula for allotting staffing grants for DVOPs and LVERs among the States. We believe it is equitable and appropriate to base the distribution of funds on where the eligible veterans reside, as does the current formula, and oppose shifting the basis for that distribution. The current formula also provides for the number of authorized positions to be based on the number of veterans, and therefore establishes an important standard for ensuring an appropriate level of service. This is a standard that Congress recognizes and has tried mightily to fully fund. States have also been encouraged to fully staff to the apportioned level. Introducing greater uncertainty in the distribution of funds through changes to the formula could result in diminished employment services.

The Department of Labor has been working with State partners and business and labor stakeholders for over a year to develop a comprehensive bipartisan agreement to reform the unemployment insurance

and employment service programs. Potential reforms include significant improvements in the structure and adequacy of administrative financing for the Unemployment Insurance, Employment Service, and Veterans employment service programs, which are all funded by Federal Unemployment Tax Act (FUTA) taxes on employers.

Fifth, the bill would divert significant resources, ranging from 5 to 10 percent of total funding, to support demonstration projects in 10 States. We believe the size and scope of these demonstrations is inappropriate. I have been a proponent of using targeted demonstration programs, or pilots, to test new approaches. However, I do not believe that these projects should be carried out at the expense of the critical services provided to veterans under the basic DVOP and LVER programs.

Sixth, the bill would establish a Presidential committee to raise employer awareness of the benefits of hiring veterans and facilitate the employment of veterans through participation in America's Career Kit and other means. The Department agrees that employers should be made aware that veterans are responsible, dependable, hard-working, dedicated, skilled workers and that America's Career Kit is an important tool for assisting veterans. We have made significant efforts toward accomplishing those objectives. However, we believe that in this era of tight budgets, the best use of funds is direct support of programs, rather than establishing a new, costly Commission.

VETS believes that the best way to promote the employment of veterans is on a retail level - and to include such efforts in our pilot programs as we are doing with ProVet. ProVet is an effort to determine the common hiring needs of a group of employers and matching those job openings with groups of separating military personnel with the needed job skills.

VETS actively seeks opportunities to speak to employer audiences -- I have met with Microsoft Corporation representatives, Lucent Technology human resource personnel, and with Cisco Systems officials about the benefits of hiring veterans. CompTIA, with whom VETS has a pilot program, represents more than 7,500 information technology companies. VETS is also working with the Army on a recruiting initiative, which will partner American companies with enlisting personnel, assuring the new soldiers of first class job training and a good, civilian job when they complete their enlistment.

The result is more companies are now coming to us.

Seventh, the bill would amend the veterans' affirmative action provisions under Title 38. The Department has significant concerns regarding the impact of these changes. For example, we oppose the bill's requirement that the Secretary shift the responsibility for the enforcement of these provisions from the Employment Standards Administration's Office of Federal Contract Compliance Programs, which currently is responsible for monitoring all nondiscrimination and affirmative action obligations of federal contractors, to VETS, which has not previously administered such provisions.

Finally, the bill would shift the status of the Deputy Assistant Secretary for VETS from a Presidential appointee to a career position. We believe this change could diminish the effectiveness of the Deputy Assistant Secretary as an advocate for veterans employment and training services and therefore would urge you not to change that long-standing status.

In conclusion, the world is changing and VETS is making changes to keep pace. During this period of adjustment, VETS is fulfilling its mission of providing the maximum number of employment and training opportunities to all veterans and other eligible persons.

Over the past year, we have often met with Committee staff to discuss and resolve licensing and certification issues, as well as other matters of interest to the Committee. We will continue to meet with this Committee while developing and implementing our Strategic Plan, in the hope of better serving our country's veterans.

However, we do not believe that H. R. 4765 is the right way to go in bringing Title 38 into the 21st Century.

Thank you for your attention.

Statement of

**Alan Gibson
Disabled Veteran Outreach Programs Specialist
(DVOP)
(On Extended Disability Leave from)
Missouri Division of Workforce Development
Department of Labor & Industrial Relations**

**Missouri State Council President
Vietnam Veterans of America**

Before the

**Subcommittee on Benefits
Committee on Veterans Affairs**

Regarding

H.R. 4765 "21st Century Veterans Employment and Training Act"

July 12, 2000

Alan Gibson

The 21st Century Veterans & Employment
And Training Act
H.R. 4765
July 12, 2000

Good morning Mr. Chairman and other distinguished members of the Subcommittee. My name is Alan Gibson I served twenty years in the United States Army, which included a tour in Vietnam. I am a Life Member of Vietnam Veterans of America (VVA), and presently serve as Missouri State Council President for Vietnam Veterans of America (VVA). I also serve as Vice-Chair of the National Employment, Training & Business Opportunity Committee of VVA. I am currently on extended disability leave as a DVOP with the Missouri Department of Economic Development.

I am currently on extended disability leave as a Disabled Veterans Outreach Specialist from the Missouri Division of Workforce Development, Department of Labor & Industrial Relations. As a disabled veteran and a DVOP with more than 11 years of experience, it is indeed an honor and a pleasure to speak with you in support of HR 4765, the "21st Century Veterans Employment & Training Act." For many years we have needed a means of holding the Department of Labor and all entities associated with Veterans Employment and Training fully accountable for their actual performance in accomplishing the mission set forth by the Congress.

This bill makes great progress toward fixing this problem, which has heretofore not been adequately addressed. It has astonished me and many of fellow Disabled Veteran Outreach Program Specialists (DVOPs) that authority and responsibility can be given without any accountability. Under the present system of the Federal/State partnership in most States we (the DVOPs and Local Veteran Employment Representatives or LVERs) operate at the whim and desires of a local manager who may or may not care about the program(s) established for veterans and disabled veterans. This proposed legislation not only has rewards for those who have done a great job, but also will promulgate real standards that are meaningful. As importantly, it will result in strengthening the role of the State Director of the Veterans Employment & Training Service, in a way that is more in line with the responsibility that individual bears. I believe that authority should be commensurate with responsibility, and that one should be held rigorously accountable for results of the activities performed.

We spend a great deal of money each year to send DVOPs and LVERs and Managers to the National Veterans Training Institute (NVTI) for approximately a week (each program), and give them training on the regulations and "best practices" to accomplish each aspect of the overall mission. What currently happens is that when all is said and done, these lessons are left by the wayside when Management returns and is placed back into the situation of "getting marks on the wall" rather than helping, to the fullest possible extent, the client. This is very glaring when it comes to Veterans especially, Special Disabled Veterans and Disabled Veterans.

Many staff members return to the local office in their state after training and are used as part time receptionist, switchboard operators and told to stay in the office during regular office hours. Any outside work (helping homeless, seeking job listings from prospective

Alan Gibson

The 21st Century Veterans & Employment
And Training Act
H.R. 4765
July 12, 2000

employers, doing outreach and education activities with Veteran Service Organizations, seeking to develop additional training opportunities for veterans, working out better access to vitally needed health care services, etc., contacts will be done via telephone or on the individuals own time and expense. What happens is that the most dedicated DVOPs and LVERs do this stuff on their own time as uncompensated overtime.

Support for program requirements are often in some states, and at times in other states lacking. When this happens there is usually no recourse or appeal. Perhaps most importantly, there are no repercussions for "blowing off" the mission for veterans, as there are no rewards for outstanding performance, nor sanctions for poor performance.

In my own recent personal experience there a number of instructive anecdotes that will illustrate what I am speaking of in regard to this problem.

- (1) It is a part of the mission for a DVOP to try and get veterans jobs under the Veterans Readjustment Act (VRA). As a DVOP I looked into the hiring practices by other Federal Agencies I looked into such an incident, in response to a complaint from a veteran. I met with personal chastisement, and was docked a day without pay.
- (2) Often computer capabilities and current training of existing staff is good, even though not actually made available to some DVOPs in a given state. This actually happened to me where I could not get computer access for over a year at my outstation at Harry Truman VA Medical Center, and then when I got the computer, I could not get training necessary in how to run the computer, despite appeals through the state bureaucracy and appeals to the Director of VETS of USDOL. The complaint was "taken care of" by placing the blame on the individual DVOP.

These are but two (2) areas where problems occur that could or should have been taken care of with the requirements addressed within HR 4765. We all tend to study to the questions on the test, and to respond to that which we have to respond to, when we have to do so. The problem is that local managers have not had to answer to anyone for actual full performance, only sometimes "body count" of gross numbers of overall placements.

Some within the DOL feel that this law is trying to privatize the existent structure. This is far from the truth. This law will require those receiving money to perform the requirements set up with monetary rewards to exceed the letter of the law and conversely use the pocketbook as a means to ensure that the mission being paid has an acceptable return on the investment.

I again thank you for inviting me to speak with you and am available for any questions.

Alan Gibson

The 21st Century Veterans & Employment
And Training Act
H.R. 4765
July 12, 2000

ALAN K. GIBSON

Born July 5, 1939, in Webb City, Missouri. Graduated from Webb City High School in 1957. Attended Missouri Valley College for 1 & ½ years then joined the US Army. After retirement from the Army I received my BS from Columbus College (now know as University of Georgia at Columbus), in Columbus, GA

As a volunteer in the US Army, attended Infantry Basic, Advanced Artillery Operation & Intelligence and Airborne Schools. After several assignments and 20 years of service to include 10 years as a Recruiter/Career Counselor, I retired.

For the first 9 years of retirement held several sales jobs in Real Estate, Mutual Funds, Stocks & Bonds. In Nov 1988 accepted an offer with the Missouri Job Service as a Disabled Veterans Representative out stationed in the Harry S. Truman, VA Hospital. Attended Core I (Basic DVOP Training), Core II (Benefits) and Core III (Case Management) at the National Veterans Training Institute (NVTI) in Denver, Colorado. Since June 1999, have been on Long Term Disability without prospects of returning to full time employment.

I am a Life Member of Vietnam Veterans of America since 1989, member of the Employment, Training & Business Opportunity Committee since 1995 and Co-Chair since Nov 1999.

**TESTIMONY OF
JAMES H. HARTMAN
DIRECTOR FOR VETERANS' EMPLOYMENT AND TRAINING
NEW YORK STATE
U.S. DEPARTMENT OF LABOR
BEFORE THE
HOUSE VETERANS AFFAIRS SUBCOMMITTEE
ON BENEFITS**

JULY 12, 2000

Mr. Chairman and Members of the Subcommittee:

Thank you for allowing me to give testimony on the "21st Century Veterans Employment and Training Act, H.R. 4765". As with my earlier testimony on October 28, 1999, at which time you solicited comments on a draft similar to this proposed legislation, there are elements of this bill which I strongly support and others that raise questions in my mind as to their value and wisdom with regards to their operational necessity and/or soundness of approach.

As I was a member of the work group you established after the October 28 hearing, I will not revisit all of the objections I voiced to the committee staff during the past 8 months. Rather I will concentrate my efforts on issues raised by this Bill that I believe will have a direct negative effect on field operations of the Veterans Employment and Training Service (VETS) and the corresponding Local Veterans Employment Representative (LVER) and Disabled Veterans Outreach Program (DVOP) grants, which we in VETS administer.

Firstly, my review of H.R. 4765 indicates that your committee has decided that major changes to Title 38 were needed with regard to the creation and maintenance of VETS Federal field positions and VETS funded State LVER and DVOP positions. As you know, Title 38 has used a funding formula since the creation of these positions. The Assistant Secretary for Veterans Employment

and Training (ASVET) must use this formula in assigning Federal and grant staff to states. It has been my understanding through the years that your predecessors in Congress decided to use these formulas in order to: (1) Have a national employment and delivery system for veterans based on their incidence in a given State's population; (2) Ensure continuity in the delivery of these services regardless of changes in Federal or State Administrations; (3) Maintain a Federal/state partnership that was based on workload as determined by the number of veterans seeking services in each state and being served at a local delivery point.

H.R. 4765 removes these formulas and replaces them with an overall ASVET budget allocation, which in turn gives latitude to any new Administration with regards to the funding and assignment of personnel. I believe this is flawed for the following reasons: Without a funding formula established by Congress, funding of staff positions in States could very well be subject to change without any notice to veterans, and would not provide continuity of services. Secondly, the bill would jeopardize the concept on which the national employment and training delivery system for veterans is based—that veterans' benefits are a national issue and not a state issue.

As an example, with the passage of Section 168 of the Workforce Investment Act, States most recently had an opportunity to apply for employment and training money specifically targeted to veterans. If successful in their application, states would receive approximately \$850,000 to provide intensive service to veterans with a promise of a second year of funding if they performed up to standard. Mr. Chairman, New York State simply chose not to apply for the money. I believe it is this type of inaction that H.R. 4765 is in danger of supporting and that I further believe will result in inequitable treatment to veterans across the country.

My second issue is with your recommended change to Title 38 that would eliminate the requirement that VETS supervisory field staff have veteran status. The terminology you use in this bill i.e., "the secretary shall, to the extent practicable, appoint qualified veterans as supervisory personnel," I believe opens a door that neither needs to be opened nor should be opened. We are a small agency, Mr. Chairman, and have only a little over 100 field supervisory positions in the country. If we as a veterans' advocacy agency cannot take steps that would

ensure the hiring of qualified veterans in the few positions we have, how then can we argue strongly that other Federal agencies, employers, and grantees should take steps to hire veterans? As a reminder from some of our previous discussions, when I took over as Director in New York State in 1987, over 65% of the LVERs in New York were non-veterans. The only way we were able to change this mixture was for Congress to pass a law requiring veteran status for LVER positions.

My third and final issue, Mr. Chairman is the elimination of all job duties of LVER and DVOP grant staff, specifically the provision that these full-time staff must serve veterans only. The reason I believe the "veterans only" criteria is so important stems from my over 23 years of monitoring services provided by these grant staff in New York. To me it is simply a numbers issue, i.e., traditionally veterans represent around 13% of the intake in any given State Employment Security System, in New York this has meant through the years around 800,000 non-veterans registering for service and a little over 100,000 veterans. Currently in New York there are approximately 150 veterans grant staff to service these 100,000 veterans. That is a case load for each LVER and DVOP of over 600 veterans, and that is if the veterans only visit the office once (many have numerous visits). If with the passage of H.R. 4765 these staff members will also be allowed to service non-veterans, I simply do not know how veterans would receive the individualized service the great majority of those who visit our offices need.

Mr. Chairman, my years of reviewing veteran applicant files in the over 60 Job Service offices in New York State tell me that our registrants need our services. As I said in my October 28, 1999 testimony "I have concluded that for the majority of the veterans we register for service, the Job Service is not their first stop, it's their LAST!"

Thank you once again Mr. Chairman for this opportunity to address you and your colleagues on such vital issues of importance to our veterans community. I remain available to answer any questions you may have.

**Committee on Veterans Affairs
Subcommittee on Benefits**

H.R. 4765

21st Century Veterans Employment and Training Act

**Testimony from
Carole A. Cowan, Ed.D.**

**President
Middlesex Community College
(Lowell and Bedford, Massachusetts)**

July 12, 2000

Good morning. My name is Carole Cowan. I am President of Middlesex Community College, an institution of higher learning in Massachusetts that serves over 7,000 students at two primary locations. Our Bedford campus is in the heart of Massachusetts' technology corridor and minutes from Hanscom Field, a thriving military and aviation complex. Our Lowell campus sits astride the canals that once powered this 19th century mill town, which today is a model of urban growth and revitalization. During a recent visit, retired General Colin Powell commended Middlesex Community College as an excellent example of a community college reaching out to meet the needs of the community.

In recent months, two of my colleagues have testified before this Subcommittee regarding the deep commitment of Middlesex Community College to services for veterans. Christopher Brennan, our Dean of Business and Workforce Development, testified about Middlesex's success in helping hundreds of veterans access services such as education, vocational rehabilitation, job training, and, most importantly, jobs. Similarly, George Moriarty, the Executive Director of *The Career Place*, the one-stop career center managed by Middlesex, shared with the Subcommittee the Center's outstanding record of achievement helping local veterans find jobs and training. The Center's success helping veterans has been due, in large part, to its strong partnership with the State's veterans program. This partnership has enabled the One-Stop Career Center in this year alone to place over 280 veterans in jobs averaging \$16 an hour. For the second year in a row, our placement rate for veterans has exceeded 47%.

As you might guess, I am a strong supporter of the One-Stop Career Center model. Our center - *The Career Place* - has achieved impressive success since opening in 1997. We serve over 4,000 individuals and over 800 employers annually. For the second year in a row, we have placed over 1,700 people in jobs paying on average \$15 an hour. I urge the Subcommittee to strengthen the connection between veterans programs and the One-Stop Career Centers, especially as the new Workforce Investment Act unfolds.

Let me take a few moments to comment on the draft legislation before us today. First, I would like to commend the Subcommittee and all of the organizations that helped shape this legislation. I believe the five barriers cited in the draft touch on important issues that need to be addressed if we are to ensure that veterans participate fully in the benefits of our strong economy.

Barrier One: We must promote priority for veterans and their spouses in federally-funded employment and training programs. There are many protected classes that deserve special consideration, but none have given so much to preserve this nation as our veterans.

Barrier Two: We must insist upon accountability. Without measuring our success and determining how we achieved it, we can never replicate or improve upon it. Accountability ensures that veterans have access to the best services available and that through that access, veterans can capture their fair share of job opportunities.

Barrier Three: Although we have no comment on the need to change the position descriptions for DVOP/LVERs, we would welcome the opportunity to provide assistance and input as the Secretary of Labor develops the titles and functions for the positions.

Barrier Four: This barrier challenges us to take full advantage of the enormous potential offered by technology. At our career center, we are already deeply immersed in America's Job Bank and America's Talent Bank. In addition, we have adopted a new database management system that links career centers within Massachusetts, so that veterans and other job seekers can access thousands of jobs and training opportunities statewide. We must prevent veterans from being cast on the wrong side of the digital divide, and I am convinced that the measure before us will help ensure that technology will be a powerful tool for helping veterans gain employment in our growing economy. One note of caution. Technology cannot stand alone. It must be linked to talented, caring staff who can help individual, especially veterans, achieve their full potential.

Barrier Five: This barrier addresses the need for solid data on the economic benefits of veterans programs. I fully support this provision because I believe the data will confirm what everyone in this room knows: our economy gains dramatically when veterans share in its growth. As I mentioned earlier, at *The Career Place* alone, hundreds of veterans are being placed in good paying jobs that return hundreds of thousands of dollars to our local economy. I think the study proposed under Barrier Five will demonstrate that the dollars spent on veterans programs yield a dramatic return on investment - an investment that we should continue to make on behalf of America's veterans.

Let me return briefly to Barrier Two. Under this provision, the Secretary of Labor is authorized to establish and implement a comprehensive performance accountability system. As I stated previously, I believe all of us who provide services to veterans should be held accountable for our performance. And we should be rewarded for our success and penalized for our failure to achieve our goals. At Middlesex Community College and at our One-Stop Career Center, we operate by a performance-based approach. The dollars we earn are directly tied to our ability to achieve our goals.

To ensure success, we work closely with our State veterans program to constantly strive to not just meet goals, but to exceed them. As a result, our veterans representative is one of the most successful in the State, because he is an integral part of the whole operation of the One-Stop Career Center. His efforts are linked with the activities and services provided by a staff of 30 professionals who work at the Center, enabling the veterans he serves to have full access to workshops, job listings, job fairs and on-site employer visits.

One of the options suggested under Barrier Two is to seek alternative providers of services through a competitive bid process. Some organizations and states are opposed to this provision because it introduces competition. We believe the partnership between the State's veterans program and the One-Stop Career Center is the best model. However, I believe that when performance in any program falls below acceptable benchmarks, it is incumbent upon us to seek creative solutions. We must ensure that veterans are not penalized for the poor performance of local providers. For that reason, I think the concept of a limited demonstration model is worth exploring.

I also support the idea of creating an panel to advise the Secretary of Labor around the demonstration program. I would recommend, however, that the membership of the panel be expanded to include representatives from One-Stop Career Centers, Workforce Investment Boards, employers and other workforce development groups.

In closing, let me express my support for this new legislation and for the Subcommittee's efforts to improve services for veterans. We are proud of our involvement with America's veterans. We are also confident that our partnership with the State veterans program can compete and that our partnership will remain the best option for providing placement assistance to veterans.

Thank you for this opportunity to testify.

**Disclosure of Federal Grants or Contracts
Relative to Subject Matter of Testimony**

Neither Middlesex Community College nor its subsidiary program, *The Career Place*, receives any federal grants or contracts to specifically provide the types of services to veterans that are under examination by the Subcommittee on Benefits.

Middlesex Community, through its enrollment services office, provides veterans with maximum access to all the classes and services offered by the College. In addition, the College certifies veterans' participation in educational activities, enabling them to receive their full share of G.I Bill benefits. The College also implements the tuition waiver program for state colleges, which allows veterans to pay only required fees and no tuition. Finally, Middlesex has developed a strong partnership with the vocational rehabilitation program, so that veterans who are eligible are able to obtain the services and support they need to participate fully in higher education.

As a one-stop career center, *The Career Place* receives federal and state monies to provide career development, employment and reemployment services to all eligible populations. Veterans may be eligible for Wagner-Peyser services, however, *The Career Place* does not receive funds specifically allocated for veterans.

The Massachusetts Division of Employment and Training outstations a Veterans Service Representative at *The Career Place*. This individual is an employee of and is paid by the Division of Employment and Training. *The Career Place* receives under \$10,000 to offset the prorated costs for space and utilities costs.

* * *

Statement of
Stephen A. Horton
Manager, Employment Security Program Services
Alabama State Employment Service
Department of Industrial Relations
State of Alabama

On

H.R. 4765-the 21st Century Veterans Employment and Training Act
Before the Subcommittee on Benefits
Committee on Veteran's Affairs
United States House of Representatives
July 12, 2000

Mr. Chairman and Members of the Committee, it is an honor to appear before you today to offer the following testimony on the 21st Century Veterans Employment and Training Act. My name is Steve Horton and I represent the Alabama State Employment Service which is the Wagner-Peyser grantee and the provider of veteran services under the current Title 38 chapters 41 and 42. I am a special disabled Vietnam Veteran and the recipient of three Purple Hearts for wounds received in action. I have a deep regard and respect for those individuals we are charged to serve.

This proposed legislation appears to be a major step forward in providing the states more flexibility in delivering services to veterans. The current law does not mesh well with the Workforce Investment Act (WIA) of 1998 and the system of One-Stop Career Centers required by the Act. The partnerships mandated by WIA, including Veteran Employment Programs, require resource sharing while maintaining eligibility for individual programs. I firmly believe that the states can continue to provide veteran priority for services while enabling staff to better perform their jobs in assisting Veterans and other eligible persons in their search for employment and training.

A means by which veteran's priority for the Federal Contractor Job Listing (FCJL) program is provided through electronic technology is much needed. We support the employer's ability to self-file job orders but also recognize the need for some method by which veteran's priority may be established and the states may receive credit for placing veterans in these jobs.

The complaint process concerning FCJL and other E&T programs is somewhat unclear in that there does not appear to be any reference to a complainant being first directed to the program's complaint process. We try to handle all complaints at the lowest level possible, and this does not seem to foster this effort, in fact it seems to suggest that an individual file with VETS first.

The requirement for ten additional federal monitors is a troubling issue. Each state has a DVET, and most have ADVETS, which are assigned to each state based on veteran population. Title 38 is perhaps the most closely monitored federally funded program in existence. The state is required to provide space, furniture, phones, utilities, etc., all at no cost to the VETS. The idea of being monitored at every turn and having to pay to house the monitor at your expense is somewhat onerous and should be reviewed. The possible addition of ten more is disturbing to say the least.

Another issue is that the legislation appears to remove recently separated veterans as a priority group, at least in Chapter 42. This segment of the veteran population has traditionally had the highest rate of unemployment. I question the rationale behind removing those individuals who seem to be most in need of our services. A common definition between the Chapters of Title 38 and WIA is very important. Front line personnel need to be able to quickly determine which applicant is eligible for what services. The data and the reporting systems do not support several different definitions of a veteran. We need less confusion, especially at the local service delivery points.

The performance standards and outcome measures have needed reform for quite some time. It is becoming more and more difficult to find and to provide services to Vietnam Era Veterans. As this population ages, their number in the civilian labor force will continue to decline. Our obligation to these veterans remains but requiring specific performance measures for them is perhaps unnecessary.

A weighted job placement system that gives more reward for assisting those veterans with significant barriers is welcome. It should be recognized that these individuals require a large amount of staff time and this should be reflected in the standards. The economic and unemployment conditions of individual states are also very important factors. I hope that the states have input into this process.

The establishment of a panel of state public employment service officials for the demonstration project is an excellent idea. The ability to have input into a system from those individuals who actually operate the program at the local level should give policy makers more insight into what really goes on at the service delivery points. I am unclear if this demonstration project replaces the current program or is an addition to it.

Funding for the Veterans Program has been inadequate for a long time. The formula for funding DVOPS and LVERS has not been followed for years. The effort the states must go through in developing the grant package when we know we will not receive that amount of funding is time consuming, expensive, and extremely frustrating.

Serious consideration should be given to changing this grant from a staffing grant to a program grant. It is unclear whether this was the intent of this legislation. Changing from a fiscal year to a program year, which would match other employment and training programs, would also be of benefit. The restrictions placed on states with a staffing grant makes planning very difficult. The recapture of unspent funds at the end of each quarter by VETS encourages states to develop ways to front or end load their programs,

depending on their situation, in an attempt to evade the recapture process. The staffing grant also limits the state's ability to purchase computers or provide training for the DVOP and LVER staff.

An incentive grant to reward those states who do well and a system to assist others who do not perform up to standards is a welcome idea; as stated by Mr. Mike Olen from Texas, "No reward for success and no penalty for failure." I do not see how an incentive grant program will work with a staffing grant and the ability of VETS to recapture funds at the end of each quarter. State merit systems do not move quickly at times and often it may take several months to hire new employees. The ability to carry over funds from one program year to the next and the flexibility of a block grant would increase the states' ability to serve veterans more cost effectively.

A review of DVOP and LVER duties and assignments is greatly needed. The current law is so specific that virtually no flexibility exists in assigning job duties. The states are well prepared to ensure that staff are performing their duties and that monies are spent on those who are eligible for those services. Electronic data collection tracks all service transactions so that the states and those who monitor the states are aware of what staff are performing which functions and whom they are serving.

The Veterans Service Organizations are commended for their efforts in assisting veterans and we welcome the opportunity to assist them in setting up electronic access to employment and training information at their posts or other sites.

Thank you again for this opportunity to address issues that are close to my state and me. Your efforts to improve this delivery system are commendable. I would welcome any questions.

Stephen A. Horton
Manager, Employment Security Program Services
Department of Industrial Relations
State of Alabama

EDUCATION: B.A. in psychology, University of Alabama in Birmingham
Birmingham, Alabama

Graduate courses in counseling and public administration

Employment: Employed by the State of Alabama since 1973 in various
positions. The Wagner-Peyser Act and the Job Training
Partnership Act have provided funding for these positions.

The Wagner-Peyser Act and the Job Training Partnership are both federally funded.
Mr. Horton has not received any funds from any other source pertaining to this testimony.

Wagner-Peyser Funding was approximately \$10, 800,000 in PY 99.
In PY2000, \$10,900,000 has been allocated.

**TESTIMONY FOR U.S. HOUSE OF REPRESENTATIVES
VETERANS AFFAIRS COMMITTEE
SUBCOMMITTEE ON BENEFITS**

H.R. 4765 - 21st Century Veterans Employment and Training Act

MR. MIKE SHERIDAN

JULY 12, 2000

CHAIRMAN QUINN, MEMBERS OF THE COMMITTEE, MY NAME IS MIKE SHERIDAN AND I AM PLEASED AND HONORED TO BE WITH YOU TODAY TO ADDRESS ISSUES CONCERNING EMPLOYMENT AND TRAINING SERVICES FOR OUR NATION'S VETERANS. I AM THE OWNER AND PRINCIPAL CONSULTANT FOR MSC CONSULTING, AUSTIN, TEXAS. MY FIRM IS A LEADING GENERAL GOVERNMENT AND BUSINESS2GOVERNMENT CONSULTING TEAM WITH MORE THAN 30 YEARS OF STATE/FEDERAL GOVERNMENT SERVICE AND EXECUTIVE MANAGEMENT EXPERIENCE. PRIOR TO THIS, I MOST RECENTLY SERVED AS THE EXECUTIVE DIRECTOR OF THE TEXAS WORKFORCE COMMISSION. WHILE I AM HERE TODAY AS A PRIVATE CITIZEN, MY MESSAGE COMES FROM EXPERIENCE GAINED BY OVER 32 YEARS OF PUBLIC SERVICE.

TEXAS HAS A HISTORY AND TRADITION OF SERVING VETERANS. FROM THE ALAMO TO BOSNIA, WHERE ELEMENTS OF THE TEXAS NATIONAL GUARD ARE NOW DEPLOYED, WE HAVE TAKEN GREAT PRIDE IN SERVING THOSE WHO HAVE DEFENDED THEIR COUNTRY. OUR ACCOMPLISHMENTS SPEAK FOR THEMSELVES. THIS PAST PROGRAM YEAR, WHICH ENDED JUNE 30, 2000, TEXAS ASSISTED OVER 56,000 VETERANS, OR 46 PERCENT OF THOSE REGISTERED FOR SERVICES, ENTER JOBS, INCLUDING 3,920 DISABLED VETERANS. ADDITIONALLY, OUR SERVICE LEVEL TO THOSE VETERANS REGISTERED IS THE HIGHEST IT HAS EVER BEEN. BY ALL MEASUREMENTS WE HAVE DONE WELL, BUT WE KNOW WE CANNOT REST ON OUR PAST ACHIEVEMENTS BUT MUST WORK TODAY AND BUILD FOR TOMORROW.

THE WORLD OF EMPLOYMENT AND TRAINING, WHICH SERVES EMPLOYERS AND VETERANS. IS AN EVER-EVOLVING ENVIRONMENT. TO KEEP PACE WITH THESE RAPIDLY CHANGING SITUATIONS SERVICE PROGRAMS MUST HAVE FLEXIBILITY. THE VETERANS CUSTOMERS WHO NEED WORKFORCE PROGRAM ASSISTANCE TODAY ARE NOW IN A POSITION OF DEMANDING 24 HOUR, 7-DAY-A-WEEK SERVICES AND ARE WILLING AND ABLE TO USE COMPUTERIZED JOB MATCHING AND SELF-ENTERED APPLICATION/RESUME INTERNET APPLICATIONS. THE RIGID SYSTEMS OF THE PAST WILL NOT MEET THE DEMANDS OF THE FUTURE AND I APPLAUD YOUR ENDEAVORS TO MOVE VETERANS' EMPLOYMENT AND TRAINING DELIVERY INTO THE 21ST CENTURY.

THE PROPOSED LEGISLATION OFFERS MORE FLEXIBILITY TO THE STATES IN DELIVERING SERVICES, EMPHASIZES CREATION OF REALISTIC MEASUREMENTS, REWARDS SUPERIOR PERFORMANCE, AND EXPANDS SERVICE DELIVERY FROM THE TRADITIONAL "OFFICE" 8 to 5 MODE TO THE 7/24, E-BUSINESS CAPABILITY EXISTING TODAY.

AT THIS TIME I WOULD LIKE TO OFFER A FEW SPECIFIC COMMENTS.

1. THE NEED FOR CREATION OF REALISTIC MEASUREMENTS IS CRITICAL AND WILL IMPACT ANY INCENTIVE PROGRAMS. AS YOU KNOW, STAFF WILL PAY SPECIAL ATTENTION AND PERFORM THOSE TASKS FOR WHICH THEY ARE MEASURED. WE NEED CLEAR, CONCISE MEASUREMENTS THAT REMAIN CONSTANT. WHILE NOT EXPRESSED BY THE BILL, I HOPE THAT STATE AGENCIES, THE GRANT OPERATORS, WILL BE INCLUDED IN ANY PROCESS TO ESTABLISH THE NEW MEASUREMENTS.

2. I WELCOME ESTABLISHMENT OF THE INCENTIVE PROGRAMS. THE UTILIZATION OF FINANCIAL INCENTIVES TO REWARD PERFORMANCE IS A SOUND CONCEPT. FULLY SUPPORTING THIS ENDEAVOR, I FEEL IT IS IMPORTANT TO POINT OUT THAT THE PRESENT STAFFING GRANT SYSTEM UTILIZED BY DOL-VETS, WHICH INCLUDES QUARTERLY RECAPTURE AND REDISTRIBUTION OF ALLOCATED STATE FUNDING, IF CONTINUED, WILL DEFEAT ANY TRUE INCENTIVE EFFORTS. I HEARTILY RECOMMEND MOVING AWAY FROM A STAFFING GRANT TO A PROGRAM GRANT.
3. THE PROPOSED LEGISLATION PLACES A 20 PERCENT LIMITATION ON ADMINISTRATIVE COSTS FOR THE BASE GRANT. THIS IS A CRITICAL POINT FOR STATE GRANT OPERATIONS. IF THE DEFINITIONS OF ADMINISTRATIVE COSTS ARE STRUCTURED SIMILAR TO OTHER EXISTING PROGRAMS, LIKE THOSE UNDER THE WORKFORCE INVESTMENT ACT, I FORESEE NO PROBLEMS FOR STATES TO STAY UNDER THAT CEILING. HOWEVER, IF DOL-VETS RETAINS THEIR CURRENT DEFINITION, WHICH CATEGORIZES ALL COST OTHER THAN PERSONAL SALARY AND BENEFITS AS ADMINISTRATIVE, THEN STATES WILL SIMPLY NOT BE ABLE TO OPERATE A VIABLE PROGRAM. FOR EXAMPLE, THE NATIONWIDE AVERAGE OF STATES DVOP/LVER GRANT ADMINISTRATIVE LEVEL FOR THE PERIOD 1996 TO 1998 WAS APPROXIMATELY 28 PERCENT AND AS WE ALL KNOW BASIC EXPENSES ARE GOING UP NOT DOWN. I BELIEVE THIS NEEDS TO BE REVIEWED MORE CLOSELY AND I ENCOURAGE YOU TO SPEND THE TIME NECESSARY TO ENSURE STATES ARE NOT PLACED IN A NO WIN SITUATION.
4. CLOSELY RELATED TO THE ADMINISTRATIVE LIMIT ON THE GRANT IS THE REQUIREMENT CONTAINED IN PRESENT FEDERAL RULES THAT THE STATES PAY THE ADMINISTRATIVE COSTS FOR DOL-VETS STAFF

ASSIGNED IN THE STATE. THE ADMINISTRATIVE COSTS INCLUDE RENTS/LEASES, COMMUNICATIONS, TELEPHONES AND SUPPLIES. FUNDS USED TO PAY COSTS FOR ADMINISTRATIVE SUPPORT FOR FEDERAL EMPLOYEES DECREASE THE AMOUNT OF MONIES AVAILABLE TO DELIVER SERVICES TO THE CITIZENS OF THE STATE. UPON REVIEW I THINK YOU WILL FIND THAT THE STATES CURRENTLY PAY A MAJOR PORTION OF THE TOTAL DOL-VETS STAFF ADMINISTRATIVE COSTS. I BELIEVE STATES SHOULD NOT BE BURDENED WITH PAYING COSTS FOR FEDERAL EMPLOYEES AND SOLICIT YOUR SUPPORT TO CORRECT THIS SITUATION.

5. THE PROPOSED LEGISLATION EXPANDS VETERANS PRIORITY TO "ANY QUALIFIED EMPLOYMENT TRAINING PROGRAMS". WITH THE VARIETY OF WORKFORCE INVESTMENT SYSTEM TRAINING PROGRAMS AVAILABLE TODAY, EACH WITH THEIR OWN RESPECTIVE CLIENT FOCUS, THIS WILL SURELY LEAD TO CONFUSION IN SERVICE DELIVERY. UNDER THE EMPLOYMENT AND TRAINING FOUNDATION LAID BY THE WORKFORCE INVESTMENT ACT OF 1998, STATE AND LOCAL WORKFORCE BOARDS ARE GIVEN THE AUTHORITY AND RESPONSIBILITY TO DETERMINE HOW SERVICES ARE TO BE DELIVERED AND TRAINING DOLLARS SPENT BASED ON INDIVIDUAL NEEDS AND LOCAL ENVIRONES. WITHIN WIA, SECTION 168 PROVIDES A VETERANS ONLY TRAINING PROGRAM. UNFORTUNATELY, THE LEVEL OF FUNDING FOR THIS PROGRAM HAS BEEN AUSTERE IN COMPARISON TO THE OTHER PROGAMS. I SUGGEST, THAT ADDITIONAL FUNDING OF SECTION 168 PROGRAMS COULD WELL PROVIDE THE VEHICLE NECESSARY TO PROVIDE EMPHASIS ON TRAINING FOR VETERANS.
6. I AM CONCERNED ABOUT THE PROVISION CONTAINED IN THE BILL CALLING FOR INCLUSION OF A REPRESENTATIVE FROM THE VETERANS COMMUNITY ON COUNCILS, BOARDS OR ADVISORY BODIES. MUCH

DISCUSSION HAS BEEN GENERATED CONCERNING BOARD MEMBERSHIP SINCE THE ENACTMENT OF WIA. WHILE EFFORTS WERE MADE TO INCLUDE AS MANY REPRESENTATIVES AS POSSIBLE, THE BOTTOM LINE IS THAT LARGE BOARDS ARE CUMBERSOME AND UNWIELDY. MOREOVER, TEXAS AND MANY OTHER STATES, HAVE BOARDS THAT HAVE BEEN GRANDFATHERED AND ANY CHANGE WILL REQUIRE STATE AND LOCAL WORKFORCE SYSTEMS TO RECONSTITUTE THEIR BOARD STRUCTURES AND GO THROUGH THE APPROVAL PROCESS AGAIN. I WOULD LIKE TO POINT OUT THAT TEXAS AND SOME OTHER STATES ALREADY INCLUDE REPRESENTATION FROM THE APPROPRIATE STATE AGENCY THAT HAS RESPONSIBILITY FOR VETERANS EMPLOYMENT PROGRAMS.

7. I AM ALSO CONCERNED ABOUT THE PORTION THAT ESTABLISHES A COMPLAINT SYSTEM FOR VETEANS PRIORITY OF TRAINING SEPARATE FROM THE EXISTING COMPLAINT PROCESS EMBODIED IN WIA. I BELIEVE THE EXISTING STRUCTURE AND PROCESSES HAVE BEEN FORMULATED WITH THOUGHT AND FOCUS AND SHOULD BE UTILIZED RATHER THAN CREATE A SEPARATE/DUAL SYSTEM. I HOPE THAT ALL OF US CAN BEGIN TO VIEW THE WORKFORCE INVESTMENT SYSTEM IN ITS DESIGNED WHOLISTIC APPROACH, OPERATING FROM THE LOCAL LEVEL TO THE STATE, THEN TO THE FEDERAL LEVEL. I AM CONVINCED THAT THE SYSTEM NEEDS TIME TO GROW TO ITS FULL POTENTIAL. WE AS DECISION-MAKERS, MANAGERS, AND OPERATORS COULD DO WELL TO NUTURE IT ALONG, BUILDING ON ITS FOUNDATION SO THAT IT REACHES THAT PINACLE RAPIDLY.
8. THE LEGISLATION SEEMS TO HAVE REMOVED RECENTLY SEPARATED VETERANS AS A PRIORITY GROUP. THIS SEGEMENT OF THE VETERAN POPULATION HAS HISTORICALLY HAD THE HIGHEST RATE OF UNEMPLOYMENT AND MAKES UP A LARGE PORTION OF THOSE

VETERANS THAT SEEK ASSISTANCE. I WOULD ALSO LIKE TO POINT OUT THAT THE BILL IS SOMEWHAT CONFUSING WITH REGARD TO WHICH VETERANS ACTUALLY DO HAVE PRIORITY. BY MY COUNT THERE ARE NO LESS THAT FIVE SEPARATE SECTIONS ADDRESSING WHAT VETERANS OR COVERED PERSONS WILL RECEIVE PRIORITY AND THE ACTUAL DEFINITION IN EACH OF THOSE SECTIONS VARIES SLIGHTLY. TO ADD TO THIS ALREADY CONFUSING STATE IS THAT WIA CONTAINS DEFINITIONS OF VETERANS THAT IS NOT THE SAME AS IN THIS PROPOSED LEGISLATION. I BELIEVE WE NEED TO TAKE A GOOD LOOK AT THIS AREA, BE CONSISTENT IN OUR APPROACH, AND COME UP WITH A COMMON DEFINITION FOR THE ENTIRE EMPLOYMENT AND TRAINING SYSTEM.

9. LASTLY, I WOULD BE REMISS IF IT DID NOT POINT OUT THAT FUNDING FOR THE VETERANS' EMPLOYMENT AND TRAINING PROGRAMS HAS BEEN SIGNIFICANTLY BELOW THE STATUTORY FORMULA. I KNOW THIS BODY HAS ENCOURAGED OTHER CONGRESSIONAL COMMITTEES TO INCREASE THE FUNDING LEVELS AND FOR THAT I AM GRATEFUL. STILL THE LEVELS REMAIN BELOW WHAT IS NEEDED. AS I APPLAUD YOUR EFFORTS IN DEVELOPING A 21ST CENTURY VETERANS EMPLOYMENT AND TRAINING ACT, I ALSO ASK YOUR CONTINUED EMPHASIS AND ENDEAVORS TO OBTAIN ADEQUATE FUNDING FOR NOW AND THE FUTURE.

IN CLOSING LET ME EMPHASIZE THAT I AM STILL COMMITTED TO PROVIDING THE BEST WORKFORCE SOLUTIONS POSSIBLE TO VETERANS THROUGH THE SERVICES I OFFER TO GOVERNMENT/PRIVATE SECTOR CLIENTS. I RECOGNIZE THAT THE NEEDS OF EMPLOYERS AND THE NEEDS OF THE INDIVIDUAL VETERAN CLIENTS HAVE ALL CHANGED. OUTMODED AND OUTDATED SERVICE DELIVERY SYSTEMS MUST CHANGE IF WE TRULY WANT TO PROVIDE OUR CUSTOMERS WITH THE MOST EFFICIENT AND

CONVENIENT SERVICES THAT FOCUS ON THEIR CURRENT AND FUTURE NEEDS. EFFORTS SUCH AS THIS BILL ARE THE ONLY MEANS TO KEEP PACE AND MOVE FORWARD. I APPRECIATE YOUR UNDERTAKING AND WELCOME THE OPPORTUNITY TO WORK WITH YOU.

I WILL BE HAPPY TO ANSWER ANY QUESTIONS.

MIKE SHERIDAN

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EXPERIENCE**MSC Consulting, July 2000-Present****Owner/Consultant**

- A leading general government and business government consulting team with more than 30 years of state/federal government service and executive management experience.
- Successfully guides private sector business clients seeking to expand their services and operations with all government sectors.
- Successfully guides federal, state, city/county and other governmental clients seeking to: develop improved organizational and management strategies; reengineer customer service delivery systems; and, prepare for future service delivery opportunities.

Texas Workforce Commission, 1996-June 2000**Executive Director**

- Responsible for planning, developing and administering all statewide workforce development programs budgeted at over \$1 billion annually.
- Programs administered included: Workforce Development programs; Job Training/Workforce Investment Act programs; Veterans' employment and training programs; Employment Service programs; Welfare-to-Work programs; Unemployment Insurance programs; Child Labor/Payday Law programs; Proprietary Schools, Veterans' Education & Career Licensing programs; Child Care Management programs; Youth Services, Apprenticeship, School-to-Work, Literacy, and Volunteerism/Community Service programs; and, Labor Market Information programs.
- Successfully led transition of many workforce development programs to 28 local area Workforce Development Boards and the implementation of successful welfare-to-work programs.
- Developed vision and implementation plan for enhanced customer service delivery systems using the most advanced technology solutions, including state-of-the-art call centers and internet/intranet applications.

Texas Workforce Commission/Texas Employment Commission, 1971-1996**Director of Unemployment Insurance****Director of Administrative Support Services****Director of Evaluation, Audit & Strategic Planning****Director of Internal Audit**

- Managed virtually every unit of unemployment insurance operations and served in many senior management positions in both agencies.

University of Texas at Austin, 1968-1971**Administrative Assistant**

- While attending the University of Texas, worked as an administrative assistant in the UT Schools of Civil Engineering and Education.

State of Texas House of Representatives, 1969**Committee Clerk**

- Worked as the committee clerk for the Revenue and Taxation Committee for the House of Representatives

AWARDS, ACCOMPLISHMENTS AND AFFILIATIONS

- 2000 Bob Bullock Award for Outstanding Public Stewardship, Government Technology Conference (GTC) and GTC Advisory Board
- 1999 Leadership Award, National Foundation for Unemployment Compensation and Workers' Compensation (UWC)
- Member, Texas Private Sector Prison Industries Oversight Authority
- Member, Board of Directors, Texas Economic Development Council
- President-Elect, Board of Directors, Interstate Conference of Employment Security Agencies (ICESA)
- Chair, ICESA Public Electronic Labor Exchange (PELEX) Committee
- Chair/Vice-Chair, ICESA Information Technology Committee
- Commissioner, Texas Incentive & Productivity Commission
- Member, Board of Directors of the Unemployment Insurance Information Technology Center (ITSC)
- Chairperson, Governor's State Agency Internal Audit Forum
- International President, International Association of Personnel in Employment Security

PERSONAL

- Born and raised in San Antonio, Texas. Moved to Austin, Texas, in 1965, where he graduated from high school, and went on to attend the University of Texas at Austin.

**TESTIMONY OF DONALD E. SHASTEEN
BEFORE THE SUBCOMMITTEE ON BENEFITS, COMMITTEE ON
VETERANS AFFAIRS, U.S. HOUSE OF REPRESENTATIVES
WEDNESDAY, JULY 12, 2000:**

Mr. Chairman, distinguished Members of the Committee:

It has been 11 years since I last had the privilege to appear before a committee of this august body.

At that time I was completing four years as Assistant Secretary after having served two years as Deputy Assistant Secretary of Labor for Veterans Employment and Training. It was a personally gratifying period during which I had the opportunity to participate in building, from the ground up, the agency for delivery of job and job-related services to our Nation's military veterans.

My two years as Deputy Assistant Secretary were logged under history's first Assistant Secretary for Veterans Employment and Training, William C. Plowden, Jr., who taught me not only the basics of the veterans' job training and placement programs but also a lot of common sense about administering the programs. I highly recommend the excellent history of the Title 38 program that he has written and submitted for the record of this hearing today.

My very first accomplishment under Mr. Plowden's direction was to give the organization its name — the Veterans Employment and Training Service — abbreviated appropriately and accurately into the acronym VETS.

Another of my challenges was to recall Federal funds we had allocated to the States that either were not used or were spent for providing services to non-veterans in violation of Title 38 of the United States Code.

With the money we "re-captured" from the States the first year after we used a computerized system to identify the unspent and misspent funds we started the National Veterans Training Institute which is still operating today at the University of Colorado Denver.

We had learned with a jolt that many of the people whose salaries were funded by the United States Government to provide much-deserved and much-needed employment services to our military veterans through the local Job Service offices did not know what they were tasked to do — nor what they were NOT supposed to do — as defined by Federal law. And their supervisors in many offices knew even less about the requirements of the law for the duties of the Disabled Veterans Outreach Program Specialists (DVOPs) and Local Veterans Employment Representatives (LVERs) who at that time were working in, and out of, approximately 2,200 local Job Service offices.

I am not criticizing the state employment security agencies. They were doing the best they could without clear guidance for years from the veterans' unit that previously functioned within the Labor Department's Employment and Training Administration (ETA). When Congress in its wisdom separated the veterans' program from ETA and created VETS as a stand-alone entity under the direction of a Presidentially-appointed Assistant Secretary, we drew the line and the states for the most part did not violate it.

Today, every person working for the Labor Department or paid with funds provided by the Labor Department through VETS knows his or her job, and has been trained and re-trained or "updated," as often as necessary, for that job. Additionally, the training system that was established by VETS has provided, and continues to provide, coordinated training for service delivery personnel of other Federal as well as State agencies that have responsibilities impacting on the ability of VETS and the local Job Service offices to place veterans in jobs they not only can handle but can hold.

Now the real test comes. Are we ready for the 21st Century? Can we make ourselves ready, without even knowing what the morrow will bring, much less the day after tomorrow, the next month or year, or the next 50 to 100 years?

I commend this committee, the sponsors of this legislation, and everyone who has worked on the legislation for rising to the challenge and opening your minds to the options.

Today, unlike previous times, I have the cherished freedom to speak without the muzzle and shackles of clearing my testimony through the Office of Management and Budget. I shall respect this freedom and speak responsibly as well as candidly.

First, I firmly offer these observations:

1. VETS and the veterans who need the agency's services are being rendered a disservice by a numbers system that doesn't add up, that doesn't accurately calculate or count the number of veterans by the several categories served and the various types of services delivered. Granted, the current system is "free" in that it is furnished at no cost to VETS or the veterans' programs. But its failure to provide true accountability puts all the programs at risk of budget decimation. Blaming the VETS agency for not accurately reporting results from a flawed system over which it has little or no control is wrong, except to the extent the agency has not convinced the Secretary of Labor to recommend to Congress a sufficient budget to pay for a true and correct reporting system.

I became aware of this problem when I obtained two different sets of figures from two different sources both of which were "official." I still was able to determine that more veterans probably are being reached and served today than when I headed the agency.

H.R. 4765 addresses this problem forthrightly.

2. Veterans delivering employment-related services to veterans is the most effective method. It is prescribed by law now in the requirement that all State Directors and Assistant State Directors of VETS as well as all DVOPs and LVERs hired by state employment agencies with VETS funds be eligible veterans themselves. H.R. 4765 would allow the appointment of non-veterans as State Directors and Assistant State Directors of VETS, and would eliminate the requirement that DVOPs and LVERs be veterans.

These changes would weaken the service delivery system and send the wrong message to veterans, to the states, and to private employers with Federal contracts who are monitored by DVOPs and LVERs to determine whether those employers are meeting their veteran affirmative action requirements for hiring veterans.

3. Establishing service delivery positions by formula based on veterans' needs and then providing funds to pay for markedly fewer positions than the formula prescribes is dishonest. It tells the Nation's veterans and the state service delivery agencies that the Federal government cares more about holding down costs than about meeting veterans' needs. H.R. 4765 would allow a continuation of this method of weakening and watering down the system, a process started years ago to prevent budget increases. Mr. Plowden in his statement documents the impact by pointing out that DVOPs have been reduced from 2,000 to 1,445 positions, more than a 25 percent cut, and LVERs from 1,600 to 1,317 positions, based on funding alone.
4. I do not believe it is good policy to authorize appointment of non-residents to the positions of State Directors and Assistant State Directors of VETS, as H.R. 4765 would do. Local talent rising through the local Job Service offices and veterans' organizations establishes a bond that makes for smooth, minimally-interrupted transition when VETS Directors and Assistant Directors retire or move on to better-paying jobs. Local people working with local people builds trust,

confidence and continuity into the system. It encourages the "locals" to strive harder in jobs that prepare them for promotion to Federal positions in their home states.

The beauty of H.R. 4765 and the comprehensive legislative proposal that the American Legion is presenting today is that all of us are challenged to look into the distant future, suggestively as far as 100 years ahead.

Knowing the hand the Twentieth Century dealt the United States in growth and development of military and economic power, can you imagine what it would have been like to sit in this group in the year 1900 to discuss veterans' benefits for the century ahead?

Mr. Plowden and others have told us how the system has served veterans in the past, and how it is serving them today.

What I believe we need to know that we do not know today is three-fold: 1) How many of our Nation's veterans need employment-related services but are not getting them? 2) What services do they need, and how can the system reach them? 3) Is there any yet-to-be-acknowledged group that needs employment-related help and has a justifiable, logical right or reason to receive it?

This is an exciting and challenging exercise!

In answer to the first question, I believe there is a large bloc of tragically hurting veterans that the existing system is not reaching because they do not know how to find or access it; or, they have been in the system and it hasn't worked for them the way they had hoped, expected, or needed; or, the system is so caught up in bureaucratic chores that it does not have the time, personnel or money to go looking for and finding them.

I will describe briefly three cases, two of which came to my attention shortly before I was invited to testify here.

John Halbig is confined at St. Elizabeth's Hospital here in Washington, awaiting trial on a felony charge for leaving a halfway house where he was being held for the misdemeanor offense of not having the money on his person to pay a \$15.00 restaurant bill at Washington's Union Station.

John is a 100 percent disabled veteran of 10 years' active duty in the Marine Corps, including two tours in Vietnam, the first as an enlisted man servicing helicopters and calling shots as a forward air controller for the 7th Marine Division, and the second as an F-4 Phantom jet pilot. His disability is for Post Traumatic Stress Disorder (PTSD), for which he was treated six months in 1984 and three months in 1988 at the Menlo Park, California, mental health center attached to the Palo Alto Veterans Administration Medical Center. He says he became an alcoholic, went through two marriages, and was arrested a number of times on misdemeanor counts stemming from his drinking.

The one thing John has wanted since his discharge from military service is a self-satisfying, successful job. He wants to be a hydrologist. He told me he has been trying for 10 years to get V.A. approval to enroll in a program to study hydrology at the University of Arizona. In 1990, when the University accepted him for enrollment, Mr. Halbig said his V.A. rehabilitation counselor told him he needed to prove first that he could work, and offered to get him a job for six months with Good Will Industries. Mr. Halbig said "no thanks," and a period of drinking and misdemeanor scrapes with the law followed. Now he is waiting to be tried on a felony charge of escaping from a half-way house where he had been sent for a misdemeanor.

The pastor of our church introduced me to Mr. Halbig on the telephone and asked me to help him. I found he was excruciatingly distraught over the felony charge. I called his lawyer, who is court-appointed and not a veteran. I told him that he should drive home to the judge the fact that this man had served two tours fighting for our country in Vietnam, and had come home with a disease of mental flashbacks and wartime memories called PTSD for which he obviously had not received adequate medical or psychiatric

treatment. I told him further that it would be a mark of shame on the legal system to allow a man with his military background to be branded a felon and go to jail for leaving a halfway house where he had been sent for not paying a \$15.00 bill.

A big gap in communication occurred somewhere long before the felony charge in this case. The employment outreach system that was designed and funded to serve him did not find Mr. Halbig, and he did not find the system. He is 58 years old now, at least 15 years of his life lost to aimless activity and despair because he didn't find or get a job.

Permit me to cite a second case. George P. Davis, Jr., was graduated with distinction from the U.S. Naval Academy, served as Navigator on the USS Pensacola, transitioned to meteorology and oceanography, was graduated with honors from the Naval Postgraduate School, and attained the rank of Commander in 1996 while serving as Officer in Charge of the Naval Training and Meteorology Department in Newport, R.I.

In 1997 George began going through marital problems that resulted in separation, divorce, and treatment for depression. Alcoholism came into the picture, and he went through a two-week treatment program for it while on Christmas leave. A two-years-early transfer to the position of Deputy Commandant of the Defense Mapping School at Fort Belvoir, for which he did not feel qualified, was the trigger for worse things to come.

In December 1998 George was arrested for DUI. He started out-patient rehabilitation but could not stop drinking. He faced the charges, was reprimanded, and was recommended to go before a "show cause" board to prove he was fit to continue service. While waiting for the hearing he started drinking again, missed work, reported for work under the influence of alcohol, and was placed in maximum security in the Marine Corps brig at Quantico to await show-cause proceedings. The "system" was adding stress. It was not reducing stress or allowing him to deal with it.

After one month in the brig, George requested and received permission to take all of his earned leave in order to attend a private in-patient alcohol rehabilitation facility. He returned to work and moved into a half-way house in Alexandria. The week prior to his show-cause hearing he was arrested a second time for DUI, was hospitalized for alcohol poisoning, and was sent back to the brig. Rather than face a General Court Martial and a felony charge, he opted to resign from military service. He was informed that he could resign under dishonorable conditions. With the help of a member of Congress, George managed to upgrade to a General Discharge after two more months in the brig. On 23 December 1999 he was escorted from the brig to the Anacostia Naval Station where he signed discharge papers and, at 11 o'clock at night, was escorted to the gates and released from service with no place to go except a homeless shelter.

Today George is working in a minimum-wage job provided to him by a member of Alcoholics Anonymous who met him through the A.A. program.

Again, the "system" operated by VETS did not reach a person who clearly needed it, and George, despite his extensive history of military training capped by command positions, knew nothing of the existence of the system much less how to find it. Obviously, the military had had enough of George and just wanted to get rid of him.

I am submitting a statement written by Mr. Davis for the record of this hearing, Mr. Chairman and Members of the Committee, because it clearly shows he accepts responsibility for his unacceptable actions and is doing the right things to turn his life around.

I point no blame at VETS, at the Congress, or at anyone else. It is my purpose solely to help find the cracks so they can be plugged in the interest of improving the system. The fact these two cases came to my attention in the relatively sterile world where I circulate in retirement tells me there are a lot more cracks out there that need to be filled.

The training program at the National Veterans Training Institute is doing a good job of preparing service delivery personnel for their many-faceted jobs in various Federal and state agencies. But government is so big and complicated, and so hard for "the little

guy on the short end of the big stick" to reach to ask for help, that something more needs to be done.

I recommend that an "ombudsman" type unit be established within VETS, with additional funding provided specifically for it. The unit would consist of a small group of highly skilled and trained casework supervisors with a 1-800 phone number that could be accessed 24 hours a day. Availability of the service should be advertised nationwide.

In Scandinavian countries where "ombudsman" originated, the word normally means a commissioner appointed by a legislative body to hear and investigate complaints by citizens against government officials or agencies.

For our veterans' purposes, I suggest that the unit operate in VETS under the direction of the Assistant Secretary because: 1) The ultimate objective of every veteran's problems is a successful, self-satisfying and financially supporting job; and 2) The VETS system from the top down through the State Directors, Assistant State Directors, DVOPs, and LVERs is designed and the personnel are trained to apply "the whole person concept" in every case.

"Whole person concept" means that the system, before referring a veteran to a job, makes sure that he or she receives corrective treatment, or counseling, or job training, for any problem or shortcoming that would prevent the veteran from successfully performing and thus holding the job.

It might be a health problem, alcohol or drug addiction, lack of skills or training needed, or any kind of rehabilitation to counteract a disability, just to name a few examples.

This "whole person" approach was established on my watch and continues today as the founding principle for training all service delivery personnel at NVTI who provide employment services to veterans.

The ombudsman unit should consist of personnel trained to know and be able to access every government and private channel or resource available to provide services needed - the Veterans Administration, Department of Education, Department of Labor, Department of Health and Human Services, Department of Defense, reputable charitable organizations, etc. More importantly, the unit should have direct contact to DVOPs and LVERs trained to access all resources, private as well as public, at the local level, so that the system works smoothly in a hurry to respond to emergencies.

Employees making up the ombudsman unit should be trained and prepared to talk with lawyers, judges, police officers, doctors, any person of authority or responsibility who comes in contact with a veteran who needs help in an emergency. They should be advocates for the veteran. They should be trained to take the position that the veteran is right until proven otherwise. Of course, all VETS and VETS-funded staffers are prepared at all times to call on veterans' organizations for help when needed.

Our soldiers, sailors, marines and airmen never knowingly leave a comrade on the battlefield to die or be run over by the enemy. Risks are taken, at almost any cost, to save a life. We need the same spirit of comradeship in this mission.

The ombudsman unit should be the most user-friendly agency in the Federal government. It should be a shining example of user-friendliness. It should shine brightly in contrast against a Washington Federal establishment today where it's a blessing to reach a live voice when one calls on the telephone.

I recommend further in this connection that Federal contractors, who are required by Title 38 to exercise affirmative action to hire veterans, be made eligible to receive services of the ombudsman unit in resolving contract difficulties and saafus with Federal contracting agencies - difficulties that threaten veterans' jobs or employment rights if not resolved.

These contractors, many of whom are veterans themselves or companies headed by veterans, are, as a group, among our veterans' best friends when it comes to job development, hiring, and advancement in employment. They have to be our friends because they are a substantial body of "captives" who by law must list their job openings with the Employment Service and are contacted regularly by LVERs or DVOPs to help them comply with the law.

I am taking the liberty of bringing to your attention now a case of rank discrimination bordering on malfeasance by the Department of Defense against a contractor who is a veteran continuing against overwhelming odds to try to serve his country.

Alan Frederickson's first proposal to convert a former Soviet military factory into a civilian manufacturing plant under the Nunn-Lugar Defense Conversion Program gathered dust for a year before it was rejected. His second proposal was rejected on submittal, without review, because it was deemed five minutes late by the contract officer, despite the fact Mr. Frederickson had arrived at the prescribed destination ahead of time but his presence was not acknowledged. He appealed, but dropped his appeal when the discriminatory procedure was corrected and the project re-advertised several months later. Then he lost to a competitor who had been given the benefit of an exit interview that Mr. Frederickson had missed because of the contract officer's erroneous five-minute ruling on the first proposal.

Those setbacks did not discourage Mr. Frederickson. He submitted another proposal and, after waiting 13 months, was awarded a \$4.1 million cost-share contract to establish a joint venture basic manufacturing (die casting) business in Ukraine. The contract award itself was delayed three to six months because of the way the Defense Nuclear Agency, now the Defense Threat Reduction Agency, handled a complaint that triggered a General Accounting Office investigation. Because of the delay, Mr. Frederickson lost his management team and his Ukraine partner's organization changed.

Mr. Frederickson put together a new management team, found a new Ukraine partner, manufactured high-technology components of die casting machines in the United States, shipped them to Moldova, and mated them with Moldova-manufactured working ends of the machines. He also located high-technology Russian furnaces for use in the Ukraine operations, and developed a technology transfer program to bring that technology to the United States. He obtained U.S. Defense Department promises to provide funds in accord with an agreement signed with the Ukraine Government to complete the project. That was more than two years ago.

At about that same time, Mr. Frederickson learned from a subpoena served on him from the United States Attorney's office that he had been under investigation by the DoD Inspector General for some months for criminal fraud. He was instructed to turn all records of the project and his personal life over to the IG investigator. He complied fully. He did not engage a lawyer because he knew he had done nothing wrong. The investigation lasted three years, turned up no unlawful misdeeds, and concluded with a telephone conversation in which the investigator told him he was "cleared" but could not say so in writing because it was against DoD policy to provide that "courtesy."

Today, the \$3 million worth of equipment designed and built for the project under Mr. Frederickson's contract has been gathering dust in a warehouse in Kiev and a factory in Moldova for more than two and a half years.

A year and a half ago, in response to a letter from Senator Strom Thurman as Chairman of the Senate Armed Services Committee, Secretary of Defense William Cohen said it was DoD's intention to provide the funds to complete the project.

In January this year, after thorough review, the office of Assistant Secretary of Defense for Policy Dr. Edward L. Warner III determined that Mr. Frederickson's firm would receive \$560,000 to complete the project. In May, after further consideration, Dr. Warner directed the Defense Threat Reduction Agency to add \$560,000 to Mr. Frederickson's contract in order to complete the contract.

Less than a month later, on June 16, without notifying either Secretary Cohen or Assistant Secretary for Policy Warner, a man by the name of Edward L. Archer, who identified himself as Contracting Officer for the Defense Threat Reduction Agency, informed Mr. Frederickson that there will be no additional funding, that the contract will be closed out, and that he will seek "an equitable property distribution" of the equipment. The most outrageous aspect of this action is that DTRA for two years has refused to answer Mr. Frederickson's questions about what DTRA plans to do with the jointly-owned equipment if DoD does not provide the additional funds to complete the project.

Mr. Archer's letter over-rode a series of higher Department of Defense policy decisions up to and including the Secretary of Defense himself.

Some three weeks before Mr. Archer's letter, one of Mr. Frederickson's business associates in Ukraine informed him that someone was making arrangements to remove the equipment from the factory in Moldova where it was waiting for DoD funding to transport it to the former Soviet military manufacturing plant in Kiev where it was to be put into operation.

Mr. Frederickson notified DoD, only to learn that Mr. Archer's agency had contracted with a private transportation company to move the equipment without notifying Mr. Frederickson or his Ukrainian partners. Mr. Frederickson retained a lawyer who told Mr. Archer and the top management officials of the Defense Threat Reduction Agency to "cease and desist from any efforts to relocate the equipment unless and until it (DTRA) receives written consent" from Mr. Frederickson's company to do so, stating "DTRA's unilateral unauthorized actions and failure to communicate evidence a clear lack of good faith and unwillingness to abide by the law."

I respectfully point out, Mr. Chairman and members of the Committee, that DTRA is the agency primarily responsible for protecting the United States against nuclear missile attack by dismantling and disposing of former Soviet missiles to prevent them from falling into rogue hands. I hope and pray their performance on Mr. Frederickson's contract does not mirror their capability to find, dismantle, and dispose of former Soviet nuclear missiles and warheads.

Submitted herewith for the record is a two-page letter to me from Mr. Frederickson urging that Federal contractors who are veterans be given access to an ombudsman-type office such as I have proposed in the Department of Labor to assist them in such problem areas as he has encountered with the Department of Defense. Incidentally, he speaks highly of the LVERs who call on him from time to time, as one did just 10 days ago, to monitor his hiring of veterans.

In conclusion, I repeat the statement I made prior to citing specific examples, that we need to know: 1) How many of our Nation's veterans need employment-related services but are not getting them? 2) What services do they need, and how can the system reach them? 3) Is there any yet-to-be-acknowledged group that needs employment-related help and has a justifiable, logical right or reason to receive it?

Thank you, Mr. Chairman and members of the Committee, for giving me the opportunity to share with you my thoughts and views on H.R. 4765 and the veterans' employment and training needs for the 21st Century.

6 July 2000

From: George P. Davis, Jr.

Subj: PERSONAL HISTORY OF DISCHARGE AND TRANSITION FROM THE NAVAL SERVICE

1. I have been asked to provide information concerning my naval career, discharge from service and transition to the civilian sector. I would like to preface my remarks by stating that I am attempting to provide a non-biased viewpoint of my case and would like to leave any conclusions that may be derived from my case to the audience to which this is being provided. I have accepted my situation and hold no blame or ill will towards anyone who was involved in my case. My alcoholism, associated depression and resulting detrimental behavior have caused me to suffer dearly, alienate people whom I love and lose a Naval career that I cherished.
2. I would like to present my case by summarizing my Naval service, provide a synopsis of my actions the final 18 months of my career which precipitated my discharge, and to conclude by relating the obstacles that I have faced in the 6 months that I have been in the civilian sector.
3. I joined the Navy in 1977 by appointment to the Naval Academy. Following graduation (with distinction) I opted for the Surface Navy and served as Gunnery Officer, First Lieutenant and Navigator aboard the USS John Hancock (DD-981). I followed this with a tour as Navigator on the USS Pensacola (LSD-38). Following these tours I transitioned to the Meteorology and Oceanography community and attended the Naval Postgraduate School, graduating (with honors) in 1988. My following tours as an Oceanographer were highlighted by tours as Officer in Charge of two detachments and selection as Meteorology and Oceanography Officer aboard the USS George Washington (CVN-73). I attained my terminal rank as Commander in 1996 while serving as Officer in Charge of the Naval Training and Meteorology Detachment, Newport, RI. I can honestly and freely say that my service to this point was conducted with both honor and integrity and to the best of my abilities.
4. In 1997 I began going through the early stages of separation and divorce and began seeking treatment for depression. During this period I received orders to report for training as a student at the Naval War College in Newport. Two weeks prior to transfer my orders were rescinded and I subsequently received orders to report instead as an instructor at the Naval War College. At this period in my life my use of alcohol began to escalate. I cannot pinpoint the reason why, nor do I wish to. I do feel that the strain of my separation and feelings of inadequacy in a new job for which I was ill prepared were factors. In any event, I began to realize that alcohol was beginning to interfere with my personal life and my professional duty and I was unable to fight it. In December of 1997 I requested and received in-patient alcohol treatment over the Christmas leave period. Following treatment I was able to remain abstinent from alcohol and continued to seek treatment for depression. Two weeks following my divorce I received orders two years early to report for duties as Deputy Commandant at the Defense Mapping School in Fort Belvoir. Although I knew my sobriety to be precarious, I lacked the courage to say no to my transfer. Soon after my transfer I went into alcoholic relapse and was arrested for a DUI in December 1998. The following day I reported my arrest to my Commander and was rightly written up on charges. Unfortunately, the shame and embarrassment were more than I could face at this point in my life and I was unable to deal with my problems properly or professionally. My Commander afforded me the opportunity to attend out-patient rehabilitation and was supportive of me in my endeavors, but I was unable to remain sober. In April I faced my charges and received a letter of reprimand and was recommended for a "show cause" board in order to prove that I was fit for continued service. While awaiting this hearing I turned again to alcohol. I subsequently missed periods of work and also reported to work under the influence of alcohol. Due to these infractions I was placed in maximum security in the Marine Corps Brig in Quantico in order to await my show-cause proceedings. After one month in the brig I requested to take all of my earned leave in order to attend a private in-patient alcohol rehabilitation facility. I was afforded this opportunity and attended rehab in York, Pa. At the expiration of my leave I returned to work and moved to a halfway house in Alexandria, VA. The week prior to my "show cause" hearing I again relapsed, was arrested for a 2nd DUI and was hospitalized for alcohol poisoning. I was subsequently sent back to the Brig on October 23 and was recommended for a General Court Martial. Not wishing to face a felony charge I requested to resign from the service. After approximately one month in the Brig I was informed that I could resign under dishonorable conditions. After 22 years of what I knew to be honorable service I sought the assistance of Congressman Walter B. Jones. He was able to have my discharge upgraded, and on the 23rd of December I was informed that I could resign under a General discharge. I accepted and on the evening of the 23rd I was transported from the Brig to the Naval Station, Anacostia, to sign discharge papers. At approximately 11:00 p.m. I was escorted to the gates of the base and released from the service.
5. At this point I would like to say that I was able to right my life rapidly. I did not. I would like to say that I immediately became sober. I did not. I will say that I stood at the gates and faced the fact that I did not have a place to live. I did not have any transportation. I did not have money. I had no idea what to do or where to turn. My only viable option was to turn to members of AA. Through them I eventually found a place to live, though I'll admit that I spent time in a homeless shelter. I had not applied for a job in 22 years and did not

know where to begin. When I eventually was stable enough to search for a job I found that the circumstances involving my discharge prevented me from any meaningful opportunities at employment. I was deemed a risk for jobs for which I was qualified and over-qualified for all lesser jobs for which I applied. I briefly found employment through an AA member as a plumber's helper and in June I was hired at minimum wage as an office assistant by another member of AA. Altogether I was unemployed for 5 of the 6 months that I have been out of the Navy. In that time I have gone delinquent in my debts and in child support and my current wages do not offset my bills. But I am gaining and I am sober. I do not say this in order to garner sympathy; I say this to relate that upon my discharge I had no concept of where to turn or how to go about functioning in the civilian sector. My entire adult life was within the military framework and I rapidly found that I did not have the tools to function outside of that framework. I not only could not find a job, I honestly did not even know how to look.

6. Again, I would like to reiterate that I brought my problems upon myself, and it took a great deal of pain and loss in order for me to grasp the gravity and seriousness of the disease of alcoholism. The military provided me with the best treatment and leniency allowed within its system. I regret having failed in my duty to the Navy, but by the same token I am fortunate to have survived my trials. For me, personally, my survival was dependent upon my finally giving in to the people and principles of AA. I am lucky. I know of many who suffer from my illness who have not been so blessed. Yes I would like to turn back the clock. I would like to be able to complete my Navy career under what the system recognizes as "honorable". I would like to remove the stain that my discharge stigmatizes me with. It has made my financial situation tenuous at best. Money notwithstanding, I would indeed like to be able to call myself a "retiree". However, I alone, forfeited that opportunity.
7. As far as the adequacies of the "system", I would have liked to have been given the opportunity to go through a transition program. I would have liked to have known what is available to me by way of job assistance and alcohol support programs. I would like to have known what happened to my SGLI. Are my children no longer covered by a life insurance to which I paid for 22 years? As I gain in my sobriety I expect to find the answers to these and many other questions and problems that arise on a daily basis, but I am finding that it is a difficult quest. I have found it difficult to find answers when often I am not aware of the questions.
8. The only conclusion I would like to forward—at least in my specific situation—is that there was no transition nor transition assistance. I realize that my case is far from the norm, but situations such as mine certainly exist. But for a few twists of fate, I honestly do not think that I would have been able to provide this testimony. Again, fortunately for me, I have found that sobriety comes before everything.

7 July 2000

Mr. Donald E. Shasteen
11704 Judy Place
Potomac, Maryland 20854-3147

Dear Don:

When I attended Norwich University as an engineering student from 1961 to 1965, it was at the beginning of the Vietnam conflict. Norwich is a military institution operating under the Reserve Officer Training Corps program dedicated to educating "Civilian Soldiers." As a cadet, the lifestyle was similar to the United States Military Academy, and the military training I received focused on fighting communism and preparing for actions similar to what was happening in Southeast Asia. Following my military and government service, I received an MBA from the Harvard Graduate School of Business in 1975 and started my business career focusing largely on the entrepreneurial and international markets. When it became apparent that communism and the Soviet state would dissolve, I started to develop my strategy to create a strong business in the former Soviet Union that would help ensure communism would not return. Instead of conducting military operations, I felt a sound economic development program would be far more effective. By the time I met you in Moscow in 1992, I had organized my business strategy and approach to accomplish that goal. In December 1992, I submitted an unsolicited proposal to the Department of Defense (DoD) to utilize funds that were being made available under the Nunn-Lugar legislation.

My unsolicited proposal was finally acknowledged in July 1993 and rejected in December 1993. DoD took a year to respond largely because of the Clinton Administration's transition in 1993. After further discussions with DoD personnel, I decided to participate in all of the Nunn-Lugar defense conversion solicitations that were to be issued in 1994 by the Defense Nuclear Agency, now known as the Defense Threat Reduction Agency (DTRA). Submitting proposals for five solicitations, I traveled to Belarus, Russia, and Kazakhstan before being awarded a contract for a defense conversion project in Ukraine in 1995. The experiences gained by the unsolicited proposal and two Belarus proposals should have forewarned me of what was to come once I was awarded a contract.

Belarus: My original proposal was rejected on submittal, without review. It was deemed five minutes late even though I was at DTRA before it was due. I made some neophyte's mistakes submitting this first proposal. I was amazed that such a minor administrative ruling was made by the contract officer when so much time and investment had been put into the proposal. I was forced to file an appeal, and the agency made changes to the proposal acceptance procedure and how they receive visitors in the reception room. Several months later, the agency decided to reissue the solicitation, and I dropped the appeal. However, the final awardee was a competitor that participated in both solicitations and had the benefit of an exit interview that I missed because of the five-minute ruling on the first proposal. During this process, I found the contract officer to be aloof and unwilling or unable to answer questions relating to how the proposals would be evaluated. It would have been very beneficial if I had a person in the government who could have advised me how to deal with the initial ruling, the appeal and the contract officer.

Ukraine: More than thirteen months after submitting a \$5 million to \$11 million proposal, in October 1995, I was awarded a \$4.1 million cost share contract to establish a basic manufacturing joint venture in Ukraine. This is where I ran into significant problems trying to accomplish my goal. Coupled with the Belarus experience, the beginning of the Ukraine process was a premonition of things to come. The contract award itself was delayed three to six months because of how DTRA handled an official complaint that turned into a General Accounting Office investigation. By the time the contract was awarded, I had lost my management team and, unknown to me at the time, the Ukraine partner's organization changed.

For the next two years, I focused on creating a good export business that would have a positive impact on the Ukrainian economy. From reestablishing a strong management team to designing and having built high quality capital equipment in Moldova utilizing state-of-the-art American technologies, I believe we accomplished many good economic development objectives. However, the project needed additional funding of \$500,000 (now \$750,000) to complete the corner stone that will be the basic building block for a larger industrial organization in Ukraine (and Russia). Three years ago, we identified that need and included it in our (Die Casters International, Inc.) September 1997 business plan to raise \$8 million to build the business into a self-sufficient, highly-profitable manufacturing operation that can be replicated elsewhere in Ukraine and in Russia. More than two years ago, in June 1998, DoD signed an agreement with the Ukraine government that included a provision to provide \$500,000 so that the project could be completed. I continued to operate and stay in business under the belief that DoD would honor that agreement and would provide the funds needed. That has not happened, and I have had to personally invest everything I have to keep afloat while DTRA delayed, delayed and delayed the release of the funds.

I have written two letters that outline the problems I have had to endure over the past three years. The first letter, written on 20 June 2000 to The Honorable Kempton Jenkins, President of The Ukraine-U.S. Business Council, deals primarily with the business aspects of the issues at hand and was made part of Mr. Jenkins' testimony at the Senate Foreign Relations Subcommittee on European Affairs last month. The second letter, written on 5 July 2000 to Dr. Edward L. Warner III, Assistant Secretary of Defense for Strategy and Threat

Reduction, deals more with the problems to get funds released by DoD. I can provide the letters to interested parties who would like more details about the debacle involving my current Ukraine contract.

The bottom line has been a story of extreme frustration and sacrifice with no way to get around what I consider is a contract agency that has too much authority with little control from above. As a contractor, I have been subjected to an over-extended 3-year criminal fraud investigation while having to sacrifice everything to keep the project alive for two years. The fraud investigation has finally been closed without further action, but DoD will not issue me a simple courtesy letter putting that fact on paper (although that may finally happen). In addition, I have not been able to put into productive use \$3 million of equipment that has been gathering dust in storage for over 2.5 years. That equipment was purchased under the original contract and is the only means for my company to generate cash flow that will sustain my people and operations while we build the business. DoD has dragged me, my company, and my company's personnel through a torturous two years thinking that the funds would be released "next week" so that the project could be completed. Now DTRA wants to claim failure and scrap the equipment or take other yet unknown action precluding me from ever generating a return for the substantial, ten-year investment I have made.

What has been missing in the process is some person in the government I could approach as a veteran who would champion my cause within DoD. As there was no such person, I had to actually engage a law firm to stop DTRA's transgressions. I have gone to all levels within the administration and DoD to find a decision-maker who would be impartial. This effort has been a failure. DTRA seems to be able to unilaterally make its own policy decisions contrary to higher-level policy decisions made by the Office of the Secretary of Defense. It seems that DoD does not police itself nor does it provide small business contractors a means to contradict decisions and actions taken by the contracting agency. My experience shows that the policing function must be done from outside the direct influence of DoD, such as within the Department of Labor.

My objective continues to be the completion of the Ukraine defense conversion project as the beginning of a simple and doable economic development program in Ukraine. That will make a safer world for us and will help build our own economy through export of American technologies and products to developing Russian and Ukrainian markets.

Very truly yours,

Alan C. Frederickson
President, Die Casters International, Inc.
One Spruce Terrace
Wayne, New Jersey 07470

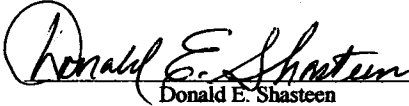
CURRICULUM VITAE

DONALD E. SHASTEEN
11704 Judy Place
Potomac, Maryland 20854

- 1999-2000: President, Shasteen Associates, 11704 Judy Place, Potomac, MD.
- 1993-99: Vice President, Cocke & Phillips, Inc., 1629 K Street, NW, Washington, DC.
- 1991-92: Chairman, Executive Committee, American International World Services, Inc., 1629 K Street, NW, Washington, DC.
- 1989-90: Co-owner/operator of Radio Station WHRF, Bel Air, MD.
- 1985-89: Assistant Secretary for Veterans' Employment and Training, U. S. Department of Labor, Washington, DC.
- 1983-85: Deputy Assistant Secretary for Veterans' Employment and Training, U. S. Department of Labor, Washington, DC. Received "Outstanding" Performance Rating for 1983 from Assistant Secretary William C. Plowden, Jr., with concurrence of Secretary of Labor Raymond J. Donovan.
- 1981-83: Deputy Under Secretary for Legislation and Intergovernmental Relations, U.S. Department of Labor. Legislation enacted: Job Training Partnership Act; Black Lung Reform; Budget Reconciliation Package, including changes in Unemployment Insurance and Trade Adjustment Assistance; Farm Labor Contractors' Registration Act Reform; Veterans Compensation, Education and Employment Amendments of 1982.
- 1980-81: Co-Director, Senate Transition Assistance, Republican Conference of the U. S. Senate. One of two persons heading a team of staff members under chairmanship of Senators Robert Packwood of Oregon and James McClure of Idaho to help newly elected Republican Senators get settled in their jobs.
- Managing editor, News Division, Broadcast Consultants Corporation, Leesburg, Virginia. Responsible for formulating and furnishing special news features for broadcast on commercial radio stations in medium and small market areas.
- 1979-80: Administrative Assistant to Senator Gordon J. Humphrey of New Hampshire.
- 1978: Candidate for United States Senator, Nebraska. Won Republican nomination, lost to Governor J. James Exon in November.
- 1973-78: Administrative Assistant to Senator Carl T. Curtis of Nebraska.
- 1966-73: Executive Assistant to Senator Carl T. Curtis.
- 1954-66: Statehouse Reporter, Omaha World-Herald, Omaha, Nebraska. Assigned to Iowa State Capitol at Des Moines four years and Nebraska State Capitol at Lincoln seven and a half years.
- 1950-51: News Reporter, Tribune-Herald, Casper, Wyoming, covering state and
 & 1953-54: local government, including the State Legislature at Cheyenne.

- 1951-52: United States Army, Continental United States and Europe, 301st Radio Broadcasting and Leaflet Group (Psychological Warfare). Drafted. Honorably discharged.
- 1946-50: University of Colorado, Boulder; Bachelor of Arts Degree in Journalism. Editor, student daily newspaper. Sigma Delta Chi journalism "Outstanding Male Graduate" Award for 1950. Kappa Tau Alpha journalism honorary fraternity. Phi Delta Theta social fraternity. Worked summers as reporter for Tribune-Democrat, La Junta, Colorado.
- 1942-46: La Junta, Colorado High School. Editor, student newspaper. President, student body. Awarded scholarship to University of Colorado.
- Date of Birth: December 3, 1928, Englewood, Colorado.
- Married: Shirley nee Johnson, August 8, 1954, Casper, Wyoming.
- Children: Jon, Ron, Frances, and Sherilyn.
- Past Offices: President, U. S. Senate Association of Administrative Assistants and Secretaries. President, Nebraska State Society of Washington, DC.

Neither I nor any company with which I am or have been affiliated has received any Federal Government grant or contract, or income from any such grant or contract, for the past two years.


Donald E. Shasteen

Testimony of
Dennis A. Beagle
Executive Board Member

New York State Public Employees Federation (PEF), AFL-CIO
An affiliate of Service Employees International Union (S.E.I.U.)
and the American Federation of Teachers (AFT)

Before
The House Veterans Affairs Subcommittee on Benefits
The Honorable Jack Quinn, Chairman

July 13, 2000

Mr. Chairman and Members of the Veterans' Benefits Subcommittee:

I wish to express my appreciation for your affording me the opportunity to testify on H.R. 4765, the 21st Century Veterans Employment and Training Act. I also thank the chair, Congressman Quinn, for giving me the opportunity to participate in the workgroups that met to review this legislation this year. I represent the interests of LVER and DVOP professional staff for the Public Employees Federation in New York, and the 1.4 million members of the Service Employees International Union.

We applaud the efforts of this committee in working to enhance the job opportunities of our nations' veterans who are transitioning to civilian employment. We agree with many of the provisions of the draft legislation, but will concentrate on those areas where we wish to see changes.

We feel that funding for any demonstration projects referred to on page 21 and subsequent pages should not be paid out of funds designed for employment and training of veterans. The idea of reducing base grants to 90% by FY 2004 and establishing a system of competing among states and contract vendors using subjective measurements is not in the best interests of veterans nationwide. A funding stream that depends on population and workload must be available in all states for all veterans.

We strongly disagree with provisions on page 23 paragraphs 9 through 16 that allow for contracting out of services to other than Wagner-Peyser or Workforce Investment Act (WIA) agencies. This also applies to page 24, paragraphs 13 through 17 that circumvent Wagner-Peyser and Workforce Investment agencies. Congress set up these entities to provide a central location where employment and training opportunities can be accessed. Job orders, employer contacts, educational opportunities are all available at these one-stop centers. Why make veterans chase all over for services, and allow some outside contractor the opportunity to cherry-pick our veterans, and pass over those difficult to place or train?

We strongly urge that this committee and Congress take up the issue of priority of service to veterans that was left out of the Workforce Investment Act. Currently, only Wagner-Peyser

operations in the Employment Service require that priority of service be given to veterans.

Regarding the requirement by the Secretary to promptly establish a one-stop electronic employment service for veterans discussed on page 28 lines 16 through 25, we suggest the One-Stop system established by the Workforce Investment Act be expanded to include veterans employment services. By establishing a national priority of local and national job banks available to veterans' employment staff in the Employment Service and One-Stop system, veterans will have access to the most recent job opportunities. Creating parallel and unequal job referral and placement systems put veterans at a disadvantage when accessing employment services. Why create another system when One-Stops already exists?

Turning to the terms and conditions of the base grants to states reflected on page 24, lines 18 through 22, we oppose the restriction that not more than 20% of the funds received may be used for administrative purposes. I am very afraid that in my own state of New York, for example, there will be a temptation to refuse the grant if it is felt that the 20% funding is insufficient. I recently learned that our state administration did not apply for a two-year grant of \$1.7 million under Section 168 of the Workforce Investment Act that would have enhanced training opportunities for veterans. If the administration declined this grant, I can't imagine them running the VETS program with less money than they feel is needed. Our unemployed and transitioning veterans are the ones who will suffer the consequences of this action.

Finally, with respect to the panel within the Advisory Committee on Veterans Employment for the demonstration project cited on page 18, lines 3 through 12, we feel that there should be representatives of collective bargaining agents on the panel to ensure that all personnel with an interest in the success of the project will have input.

In summary, we favor veterans' employment services run by veterans selected through civil service recruitment, and funded through a reliable source based on veteran population and workload. We have no problem with efforts to evaluate performance of personnel and the states if these standards are uniform, and corrective efforts are expended to remedy shortcomings. As a union representing the staff that will deliver the services to veterans, we need to be kept informed of the efficiencies of the programs and instances where shortcomings need to be addressed, and wish to be part of panels and forums set up to monitor and advise governmental agencies.

Thank you again Mr. Chairman for affording me and the New York State Public Employees Federation and Service Employees International Union the opportunity to be part of the process of reforming the delivery of services to our nation's veterans.

DENNIS A. BEAGLE
 41 Belvoir Road
 Williamsville, NY 14221
 (716) 626-4971

NEW YORK STATE DEPARTMENT OF LABOR (1971 - present)

Twenty-nine years of service to business and the public through assignments at seven Department of Labor offices in the Division of Safety and Health and Job Service Division. Responsibilities have included:

- Advise business owners and managers regarding public safety issues
- Enforce New York State code rules at places of public assembly, amusement rides
- Educate local employers regarding employment services, tax credits, and training programs
- Develop job orders with local businesses
- Screen, refer, reference check, and place job candidates
- Educate the public regarding available state employment services
- Train and motivate social service recipients to locate employment

PUBLIC EMPLOYEES FEDERATION (1979 - present)

Twenty-one years as a member and leader of PEF. Recent responsibilities include:

- Member, Executive Board
- Department of Labor statewide Labor-Management Committee, Co-Chair
- Chair, DOL Local Labor-Management Committee
- Former Chair, PEF Ethics Committee
- Council Leader, Division 221
- Member regional Political Action Committee
- Member SEIU WIA Workgroup and SEIU One -Stop Discussion Group
- Pay Equity, Scholarship, and numerous other committees, both as chair and member

MILITARY SERVICE (1963 - 1994)

Served 20 years in the New York State Army National Guard and 11 years in the United States Army Reserve. Responsibilities included:

- As Lieutenant Colonel, USAR, assigned to Pentagon final four years of military service as Chief of the Army Reserve liaison to Federal Emergency Management Agency (FEMA).
- Evaluated projects for Desert Shield/Desert Storm for the Pentagon
- Instructor - Advanced Officer Courses
- Unit Commander, Co B 2nd Bn 108th Infantry, New York Army National Guard
- Numerous US Army and New York Army National Guard commendation medals

EDUCATION

- Bachelor of Arts, State University of New York at Buffalo
- Graduate, U.S. Army Command and General Staff College
- Attended AFL-CIO Workforce Investment Act Training



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William Grady
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 Region 8

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Jennifer Pomeroy
 Region 10

Patricia Baker
 Region 11

Paul V. Matras
 Region 12

Trustees:
 Arlen J. Igoe
 Robert N. Reynolds
 Christine Usher

July 7, 2000

U.S. House of Representatives
 Committee on Veterans' Affairs
 335 Cannon House Office Building
 Washington, DC 20515

To Whom It May Concern:

In accordance with the requirements for testimony before the committee, I am enclosing a resume in lieu of a curriculum vitae as suggested by the committee staff.

I hereby state that neither I, nor the New York State Public Employees Federation, nor the Service Employees International Union are recipients of any Federal grants or contracts relevant to the testimony to be given on July 13, 2000 before the Subcommittee on Benefits in connection with H.R. 4765, the 21st Century Veterans' Employment and Training Act.

Sincerely,

Dennis A. Beagle
 Executive Board Member (PEF)
 Member S.E.I.U.

**STATEMENT BY ROBERT C. GROSS
PRESIDENT
INTERSTATE CONFERENCE OF EMPLOYMENT SECURITY AGENCIES
AND
EXECUTIVE DIRECTOR, UTAH DEPARTMENT OF WORKFORCE SERVICES**

21st CENTURY VETERANS EMPLOYMENT AND TRAINING ACT

My name is Robert C. Gross. I am Executive Director of the Utah Department of Workforce Services and President of the Interstate Conference of Employment Security Agencies (ICESA). ICESA is the national organization of state officials responsible for workforce security and workforce development services. We administer the nation's employment service, veterans' employment and training programs (Disabled Veteran Outreach Program (DVOP)/Local Veteran Employment Representative (LVER)), unemployment insurance laws, labor market information programs and, in almost all states, job training or workforce development programs. In most states, we are also responsible for coordinating workforce development one-stop centers, and play an important role in welfare-to-work services. A few of us, including my state, also administer our state's welfare TANF (Temporary Assistance for Needy Families) program. Our members are the lead officials in implementing the Workforce Investment Act which Congress passed in August 1998.

It is a pleasure to be asked to testify again before this subcommittee. Since the last hearing on this subject in October 1999, staff from our national organization have participated in the numerous working sessions sponsored by the subcommittee and have reviewed and provided comments on draft legislative language. In addition, the subcommittee staff have met with the state members of the ICESA Veterans' Affairs Committee to discuss the draft legislation and related program issues. On behalf of the states, we wish to commend the subcommittee for conducting an open process in gathering input on the legislation. In particular, we appreciate the time and effort that Mr. Kehrer and Mr. Houchins have spent in responding to our questions and concerns. Both have made themselves available for numerous meetings and conference calls with our staff.

Just two weeks ago, I testified at a joint hearing of the House Ways and Means Committee and the House Education and the Workforce Committee on the progress that states have made in implementing the Workforce Investment Act, the promising practices that have emerged, and the challenges that we face in this major workforce reform initiative. I told the committees during that hearing that all states have made major progress toward implementing their one-stop vision, and our job seeker and business customers are able to receive an array of employment-related services at one location in a community or through electronic means at various partner agencies. I highlighted the many challenges facing states including convincing all of the various partners to participate in the new system and keeping employers engaged on the state and local workforce investment boards and focusing their efforts on strategic planning and away from day-to-day minutia.

In general, many of the provisions contained in the 21st Century Veterans Employment and Training Act, H.R. 4765, that highlight the movement towards electronic services and service integration in one-stop centers within the workforce investment system are welcome. As the nation's economy and labor markets have evolved, the means and methods available to meet the statutory requirements of Title 38 must also evolve.

In today's fast-paced, e-commerce type of job market, the jobs of all of our workforce system front-line staff are changing to meet customer needs. It is much more valuable for DVOP and LVER staff to help veterans present themselves to employers most advantageously through their resumes. In a world of self-entered applications and resumes and sophisticated computerized job matching systems that in a matter of seconds can produce a list of potential matches, the resumes that best market the worker's skills and best match the needs of a broad spectrum of employers

are most likely to be effective. This requires a shift away from a chronological-based system of providing "first" referrals to a system based on providing quality applications or resumes.

In real world terms, this means a change in the role of the LVER/DVOP staff from searching for and notifying veterans about jobs, which many veterans can now do for themselves in the self-service environment and which the computers can do more quickly without human intervention, to helping veterans present themselves in the most attractive way possible. More importantly, it changes the LVER/DVOP staff role from labor exchange agent to a more value-added career management skills coach. It also frees up the LVER and DVOP staff to provide services to those veterans who truly need one-on-one assistance, such as case management and intensive services.

The proposed legislation seeks to address several of the above issues by including provisions that support virtual one-stop career centers and by removing the detailed DVOP/LVER position descriptions that are prescribed in detail in Title 38. The bill also requires the Secretary of Labor to submit to Congress a report that redefines these titles and functions. We agree with these provisions; however, we would like to see the language strengthened to ensure that the states are full and equal partners in the development of the report to Congress.

The legislation directs the Secretary of Labor to establish a comprehensive performance accountability system that is better aligned with the newly established Workforce Investment Act measures and that is appropriately weighted to provide special consideration for placement of veterans with multiple barriers. The states welcome this initiative and believe that replacing the current performance measures under Title 38 with outcome-based measures that are similar to the new WIA measures and/or those measures under development for the labor exchange (Wagner Peyser Act) will result in better services to veterans. However, we would like to see the language strengthened to ensure that the states are full partners in the development of this new performance accountability system. In particular, states have expressed concern about the staff time and resources needed to collect, validate, and maintain the data required by WIA and we want to ensure that the number of additional data elements needed to measure LVER/DVOP staff and program performance is limited.

We believe that the increased use of UI wage records to track performance for intensive and training services as called for under WIA and as planned under the labor exchange performance measures will greatly help in capturing accurate information on the success of these programs. The new performance accountability system proposed in this legislation also can take advantage of the use of wage records. The Wage Record Interchange System (WRIS), being jointly implemented by ICESA and the Employment and Training Administration over the next year, will assist in accessing wage information on individuals who receive services in one state and then move to another state.

We welcome the establishment of an incentive program that rewards states for good performance. We suggest that the legislation move away from the current staffing grant/proposed "demonstration program" and towards a program grant that is more in line with the other employment and training programs in the workforce investment system. We also suggest that the grant be awarded on a program year, like most other grants for programs in the workforce investment system.

One of the difficulties that has faced states under the current DVOP/LVER staffing grant is the quarterly recapture and redistribution of allocated state funding, as well as different definitions for administrative costs that are imposed on the states. The proposed legislation places a 20 percent limitation on administrative costs for the base grant. If the definitions of administrative costs will be the same as that used to implement WIA, then this limitation presents no problem. However, if DOL/VETS retains their current definition which categorizes all costs other than salary and benefits as administrative, then states will simply not be able to operate a viable program. Closely related to the administrative limit in the grant is the requirement contained under the existing program for states to pay the administrative costs for U.S. Department of Labor/VETS staff assigned in the state out of their various workforce program funds. We believe the grant for this program and other state-administered programs should be used to support state staff and their associated costs in the one-stop career centers and not to pay for the administrative costs of federal employees.

The proposed legislation changes the definition of a "covered person" who is entitled to priority of service under Chapter 42, and expands this priority to "any qualified employment training program" if the person otherwise meets eligibility requirements for participation in such program. The new definition appears to eliminate recently-separated veterans unless they received a campaign badge. However, the legislation does not change the definition of "eligible veteran" under Chapter 41, which is the section that includes the DVOP and LVER programs. Under the Chapter 41 definition, recently-separated veterans are included as eligible veterans. There is yet a third definition of "eligible veteran" that is included in Section 168 of the newly-enacted Workforce Investment Act, which provides training services targeted to veterans. It is unreasonable and unfair to expect local service delivery staff to wade through the multiple definitions while attempting to provide quality service to the customer. We would like to work with your committee to develop a common definition of eligible veteran that makes sense for all interested parties.

In respect to the language that expands priority to "any qualified employment training program," we believe that this too will create confusion within the workforce investment system. Under the WIA/public employment service system, which is the system through which the DVOP and LVER programs are now delivered, state and local boards are given the authority and responsibility to determine how services are to be delivered and are responsible for determining how the training dollars are to be spent, based on identification of those individuals most in need of services. Section 168 of WIA includes provisions for training programs targeted to veterans; however, funding for this program has been severely cut over the last several years. To accomplish what we believe the committee intends, we suggest that the proposed legislation include additional funding for Section 168 instead of expanding priority to "any employment training program." This will help ensure that veterans who need training assistance will have better access to it.

We are concerned about the provisions contained in the proposed legislation that call for inclusion of a representative from the veterans community on councils, boards or advisory bodies. During the final negotiations in the House and Senate on WIA, agreement was reached to limit the number of mandatory members on the state and local boards. Even with this agreement, one of the most significant criticisms that has surfaced to date under WIA is the large and unwieldy state and local boards that oversee the system. Furthermore, many states have grandfathered their existing boards; any change in the make-up of the boards would require states to reconstitute their boards and repeat the approval process with the Department of Labor. The committee should be aware that some states have chosen to include a representative from the veterans' community to serve on the boards and, at a minimum, all state and local boards have representation from the appropriate state agency that has responsibility for veterans' employment programs.

We are also concerned that the proposed legislation sets up a complaint process for veterans under priority of service for training that is separate from the existing complaint process under WIA. We strongly suggest that the existing WIA complaint process be used. We also agree that the Assistant Secretary of Labor for Veterans' Employment and Training Services (ASVET) should be responsible for formulating all departmental policies and procedures to carry out purposes of Title 38; however, the Secretary of Labor, not the ASVET, should be responsible for all other DOL employment, unemployment and training programs to the extent they affect veterans.

Last but not least, I would be remiss if I failed to point out that funding for the DVOP and LVER programs has been significantly below the level called for under the statutory formula. I want to thank Chairman Quinn and Congressman Evans for the letters you sent earlier this year to your colleagues on the Labor-HHS-Education Appropriations Subcommittee, calling for full statutory funding of the DVOP and LVER programs. However, this proposed legislation calls for a minimal funding level to be set at the FY 2000 level. This is inadequate.

Over the last year, ICESA has been working with the U.S. Department of Labor and employer and worker representatives on a comprehensive reform package that will provide additional funding for unemployment insurance, employment services, and veterans employment services, and move the funding for these programs from the discretionary to the mandatory side of the budget. The package would provide for full statutory funding for the DVOP and LVER programs.

This ICESA-sponsored work group just recently reached agreement on this comprehensive reform package. We hope to have legislation introduced in the coming weeks and ask that the members of this committee to support this funding solution. We believe this solution will go a long way toward adequate funding of veterans' employment and core services in the workforce investment system.

Again, on behalf of the states, we commend the subcommittee for conducting an open process in gathering input on this legislation. We appreciate the opportunity to testify before this committee and look forward to continuing to work together in developing comprehensive legislation that truly brings the veterans' employment and training programs into the 21st century. I would be happy to answer any questions.

Testimony of Major General Matthew P. Caulfield USMC (Ret), CEO MilitaryHub.com: Chairman of the Board Hire Quality, Inc. and Third Rail Technology, Inc. at the Subcommittee on Benefits oversight hearing on HR 4765, 21st Century Veterans Employment and Training Act

Major General Caulfield's Statement

Congressman Quinn, members and staff of the Subcommittee on Benefits, thank you for the opportunity to appear before you to express our views on the 21st Century Veterans Employment and Training Act.

At the outset, I want you to know Mr. Chairman that after reading the Bill and observing what you have done since my testimony in September 1999, I am reminded of Margaret Mead's words to the effect that one should never under estimate how a few people with dedication can change the world. Today, through your efforts, the environment in veteran employment is totally different from that of last year, and my thanks is shared by literally millions of veterans. As I mentioned last year your efforts will have a major impact on our Armed Forces and recruiting in the 21st Century. I congratulate you sir. You represent the very best in our representative form of governance. And, I am impressed that in everything you have done you have credited the minority member, Congressman Filner.

I have prepared written testimony for insertion into the record. It includes my curriculum vitae. In the next five minutes I would like to outline briefly my perspective, which offer a unique view on Veterans employment.

Since my retirement in 1992 I have gained a unique perspective derived from starting two subsidiaries of a large corporation which hired transitioning Servicemembers to leading, for almost six years, a company which recruits transitioning Servicemembers and veterans for some of America's largest corporations. As CEO of Hire Quality, I personally have visited over 250 corporations in search of jobs for former members of the armed forces. We handle all ranks but our core business is helping the lower ranks across all skill-sets find good jobs. I am particularly proud that we help more combat arms personnel than any company or group of companies in the country. We are completely private, do not receive government funding and provide our services totally free to members of our armed forces. And we have never received any government funds.

In the past six months, we founded and I have served as the Chief Executive officer of MilitaryHub.com. MilitaryHub.com is an Internet company, which extends substantially the reach to veterans of Hire Quality. Mr. Ross Perot is a major investor in MilitaryHub.com and has played a key role in day-to-day operations of our enterprise. We have created an Internet backed Web site with state of the art technology. It could cost effectively assist in carrying out many of the provisions contained in the Bill. Our goal is to change our Nation's perception of the value of military service by providing to veterans a One Stop employment center as well as the best value in needed goods and services available today. And incidentally, ownership of MilitaryHub.com will be the veterans and veteran service organizations it serves.

Our one stop employment center is in its infancy but we have already provided a personal, tailored place on the Internet where every veteran will find a good job for which he or she qualifies. For example, we signed an agreement last month with the International Association of Chiefs of police to list police jobs for over 16,000 departments. As we discussed last year no longer does a veteran have to depend on marginal jobs in the security industry. The best jobs in law enforcement are now a click away.

A major goal of MilitaryHub.com is to strengthen and enhance Veteran Service organizations. Mr. Perot's esteem for these organizations, gained in a lifetime of service to veterans, as well as our experience with Hire Quality and the American Legion over the past four years has convinced us that we really don't have to create the wheel. It is in place. The kind of partnership we have had with the Legion for the past four years is our model. All we need now is for the government to join together as true partners and not view us, and private enterprise, as a threat to bureaucratic existence. If so, together with the provisions of the Bill, the problems we talked about last year, and persist today, would be solved overnight.

I will briefly summarize three sections of the bill:

SECTION 2: EMPLOYMENT OF VETERANS IN RESPECT TO FEDERAL CONTRACTS.

We all know the law has been on the books for a long time but never enforced. I congratulate you on the enforcement provisions, including the legal remedies and particularly the words "take affirmative action". I would simply advise, as I did in my last year's testimony, that affirmation action is all about numbers, not words. Our great civil rights leaders should have taught us that

lesson. The the Department of Labor has to establish a system to evaluate performance with output numbers.

The complainants should be expanded from individual entitled to right or benefits to 'anyone or any entity with knowledge' of noncompliance. For example, an American Legion Post, a company such as MilitaryHub.com., placement companies, the individual DVOP/LEVRs. If the person reporting the non-compliance could share the remedies in the bill, widespread compliance would result without another government program. MilitaryHub.com would be delighted to represent individual veterans and in fact, would provide a means to streamline the complaint process through the Internet. In this regard I presume "Such complaint shall be in writing" does not imply writing a hard copy letter. An email system would be more in keeping with the 21st Century. And giving the Secretary of Labor 90 days to notify the complainant is more reminiscence of the 18th Century. There is no reason with today's technology a complainant is notified of receipt of the complaint within 24 hours and the efforts to resolve the complaint should be completed within 30 days. If the Department of Labor can't do that then the function should be outsourced. If not, the process will be viewed as just another government program that is all words.

Perhaps most important, A "Covered Person" should be expanded to include spouses of members of our Armed Forces including the Reserves and National Guard. It would have a major impact on recruitment and retention.

SECTION 3 MODERNIZATION OF VETERANS EMPLOYMENT AND TRAINING SERVICES

The demonstration program to modernize veterans' employment, training and placement services is long overdue. The problem of any such program is the organization under which it is carried out and in particular often the results are provided to Congress by "wolves guarding the chicken house". The comment is non-pejorative as it is only natural for personnel with responsibility for the program to demonstrate success. I strongly recommend that all reports, indeed the program evaluation should be conducted by independent sources and evaluation reports be reported concurrently to the Department of Labor and Congress. I suggest the GAO play an oversight role from the programs inception and validate evaluation results.

The most effective way to evaluate output is obtaining the views of the veterans receiving services. The program should include independent surveys of a representative sample of veterans utilizing the system. The survey should be conducted not more than 30 days after the veteran receives services. The independent survey should be an integral part of the evaluation report.

The above reflect on a major problem with the current program. There simply are no measures of effectiveness and provisions of this bill will go a long way to rectify. In this regard, I have included in my statement a proposal that was submitted to the Department of Labor over a year ago. It would have provided an Internet backed program for the Department of Labor to effectively and systematically manage and validate performance of field activities including providing a creditable source of information on program performance for analysis and management of the program and to provide performance measures to GAO, Congress, the public and other interested parties. I offered to provide the proprietary software in a licensing arrangement with the Department of Labor at no cost. The proposal was never acted upon and in spite of repeated inquiries never even commented on by the Department of Labor.

Requirement on the Secretary to Promptly Establish One Stop Employment Services

The One Stop Employment Services is already in existence. There is no need for the the Department of Labor "to provide one-stop services and assistance to eligible veterans and eligible persons under this chapter electronically by means of the Internet..." Our company has already created it and we are willing to license the software at no cost to the government. The one-stop services could be expanded to ensure implementation throughout the nation within 90 days vice the 18 months requirement in the bill.

SECTION 4: COMMITTEE TO RAISE EMPLOYMENT AWARENESS OF SKILLS OF VETERANS AND BENEFITS OF HIRING VETERANS:

I completely concur with the requirement for such a committee. I believe the issue is so important that the committee should have national recognition. I recommend that the committee be organized outside of the the Department of Labor, preferably in the Executive Office of the President. It should report directly to the President. Furthermore the composition of the Committee should be Chief Executive Officers of major corporations and prominent small

businesses as well as the Executive Directors of the Veteran Service Organizations with national employment programs. The ex officio non-voting members of the Committee should be the Secretary of Veterans Affairs; Secretary of Defense; Secretary of Labor and Administrator of the Small Business Administration.

In addition a committee should be established within the Department of Labor as proposed in the Bill.

SECTION 5: SENSE OF CONGRESS COMMENDING VETERANS SERVICE ORGANIZATIONS:

The Sense of Congress commending Veterans Service Organization for the continued assistance to veterans is long overdue and among the most commendatory provisions of the Bill. I would recommend specific mention of Veterans Service Organizations, which have which have provided national job placement services to veterans for at least three years to be included in the Sense of Congress. Furthermore, I would recognize individuals within each such organization who have been instrumental in implementing such a program.

The American Legion, and specifically The National Adjutant Mr. Robert Spanogle, has done more for veteran placement than any individual in the country. The Legion' program is among its National Agenda items. It is based on the latest technology and has been implemented in a way which ensures grass roots support. It should be commended within the Sense of Congress, and cited as a model of what other Veterans Services Organizations could achieve in assisting veterans find employment. As I mentioned in my testimony last year, The American Legion does more today for veterans in the workplace than any other organization in or out of government.

In the years ahead, I recommend a Sense of Congress commending businesses, which have extraordinary records in hiring veterans.

I appreciate, and thank you Mr. Chairman for this opportunity to testify on HR 4765 and I am prepared to answer your questions.

Disclosure Statement to Accompany Testimony

Matthew P. Caulfield has not received any Federal grant or contract (relative to the subject matter of the testimony) during the current or previous two fiscal years.

MilitaryHub.com, Hire Quality and Third Rail Technology have not received any Federal grant or contract (relative to the subject matter of the testimony) during the current or previous two fiscal years.

Curriculum Vitae

Major General Matthew P. Caulfield US Marine Corps (Ret)

July 1992	Retired from active service with rank of Major General
1990-1991	Director, Warfighting Center, Marine Corps Combat Development Command
1988-1989	Director, Inter-American Region, International Security Affairs, Department of Defense
1988-1990	Commanding General, 4 th Marine Expeditionary Brigade and Landing Force Training Command, Atlantic.
1983-1986	Deputy Director, The Military Office, The White House
1982-1982	Military Fellow, Council on Foreign Relations
1981-1982	Head, Eastern Regional Branch and Strategic Initiative Branch, Headquarters, U.S. Marine Corps.

SUMMARY OF MILITARY SERVICE PRIOR TO 1982:

Commissioned in 1958. Served in a variety of infantry command assignments including company command as a lieutenant and detachment commander on USS Holland. In Vietnam advanced from company commander to battalion operations and ultimately battalion executive officer, 3 Battalion, 26th Marines while participating in numerous campaigns. Commanded two battalions, 3rd Battalion 5th Marines and 1 Battalion 9th Marines. Staff assignments included battalion and regimental staff officer, Division AC/S Comptroller, Marine representative, US Naval Audit office Washington, Military Analyst Office of the Secretary of Defense and Director, Marine Corps Institute.

DECORATIONS AND AWARDS

Defense Distinguished Service Medal; Distinguished Service Medal; Legion of Merit (1) with Combat V (2); Bronze Star with Combat V; Purple Heart; Meritorious Service Medal; Combat Action Ribbon; Presidential Unit Citation (2); Meritorious Unit Commendation; Marine Corps Expeditionary Medal; National Defense Service Medal (2); Armed Forces Expeditionary Medal; Vietnam Service Medal (3); Humanitarian Service Medal; Sea Service Deployment Ribbon; Navy Arctic Service Ribbon; Republic of Vietnam Gallantry Cross(2); Republic of Vietnam Gallantry Cross Unit Citation; Republic of Vietnam Campaign Medal.

OTHER

US Naval Institute, Board of Control and Editorial Board (1989-1992)

US Congress, Office of Technology Assessment, Advisory Panel on Downsizing US Armed Forces (1991)

US Congress, Office of Technology Assessment, Advisory Panel on Testing in American Schools (1990)

Senior Executive Seminar: Total Quality Management (1991)

Marine Corps Scholarship Foundation (Los Angeles 1997-Present)

Author: several articles on leadership and financial management in professional journals. Recent article on military recruiting in Naval Institute Proceedings (July 1999).

EDUCATION

1958 BA, Fordham University
 1966 MS, George Washington University
 1972 MBA, Harvard University
 1978 Royal College of Defence Studies, UK
 1982 Military Fellow, Council on Foreign Relations

ACCOUNT OF ACTIVITIES SINCE MILITARY RETIREMENT

My interest in the ways business could benefit by capitalizing on the talented men and women departing the Armed Forces led me upon retirement from active duty in 1992 to join First Winthrop Corporation in Boston. I founded a subsidiary, which recruited all of its personnel from members of the Armed Forces. The company grew from a startup to revenues of over \$2 million in less than two years. The performance of these employees and how it translates into the bottom line led to my belief that a broader sector of American business could capitalize on these potential employees.

In February 1995 I resigned from Winthrop to devote full time to Hire Quality, Inc., as the Chief Executive Officer. Hire Quality is a business founded by my youngest son Dan after he departed the Marine Corps. Our company, Hire Quality, Inc. offers totally free networking services to veterans and builds upon our experiences to provide qualified businesses direct access to the exceptional men and women departing the Armed Forces through a unique marketing network and a sophisticated technological approach. Hire Quality is the only company which assists large numbers of personnel in the lower ranks across all skill-sets in finding meaningful employment while also providing services to all veterans across the entire spectrum of ranks and skills. It was recently described as "a three year old development stage company, which is using the latest computer, networked, internet-backend, paperless office technology applied to a specific and unserved niche of the employment placement market. The product concept, full range of blue, grey and white collar candidates, coupled with a partnership working relationship with nationwide companies is different from any firm currently in the market..."

Hire Quality has grown in six years from a startup to a company which now refers more veterans to jobs than any other company in the placement industry. The corporate office is located in Chicago, IL with branch offices in San Diego, CA and Washington, DC

As the Chief Executive Officer, I have called on literally hundreds of corporate leaders in search of good jobs for veterans. It has provided me a unique perspective upon which to judge the effectiveness of the government sponsored benefits afforded veterans upon separation

I also have visited numerous Department of Defense transition centers, work with their graduates on a daily basis and understand the employer's perspective. I have met with several government officials, including the Deputy Secretary of Defense, Members of Congress and congressional staff members in an effort to support and improve transition services. I have appeared on several nationwide television news and worldwide radio programs on behalf of veterans. Several articles which profile Hire Quality have appeared in the national media, including INC magazine and almost all of the military media, including a recent profile in Stars and Stripes. Most recently (September 1999), I appeared before the US House of Representatives, Committee on Veterans Affairs.

In January 2000 I resigned from Hire Quality to spend full time as the Chief Executive Officer of Militaryhub.com, a company financed by H.R. Perot to provide Internet services to improve the quality of lives of the active duty, reserve and veteran communities. By the way, it is a source of tremendous pride to me that I was succeeded in Hire Quality by a person who joined our company five years ago, immediately after departing the Marine Corps as a corporal.



Vietnam Veterans of America

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A Not-For-Profit Veterans Service Organization Chartered by the United States Congress

Statement

Of

Vietnam Veterans of America

By

Rick Weidman

Director of Government Relations

Vietnam Veterans of America

Before the

Subcommittee on Benefits

Committee on Veterans' Affairs

United States House of Representatives

Regarding H.R. 3256 – “Veterans’ Right To Know Act”

And

H.R. 4765 – “21st Century Veterans Employment and Training Act”

July 12 & 13, 2000

Vietnam Veterans of America

Hearing on H.R. 4765 & H.R. 3256
Subcommittee on Benefits
House Committee on Veterans' Affairs
July 12th & 13th, 2000

Mr. Chairman and distinguished Members of the Subcommittee, Vietnam Veterans of America (VVA) thanks you for this opportunity to comment on H.R. 3256, the "Veterans Right to Know Act" and on H.R. 4765, the "21st Century Veterans Employment and Training Act." VVA is grateful for the opportunity to appear here today, and for according us the privilege of working with you and your staff members on this vital employment legislation for over a year.

H.R. 3256 – "Veterans Right To Know Act"

The simple fact is that denying veterans knowledge of the programs, benefits, and services to which they are entitled is tantamount to denial of the service itself. It is a common and virtually experience for many of us to have even the most sophisticated veteran express surprise to us that they may be eligible for programs or services many of us take as a given.

VA has rarely done outreach well in the last quarter of a century. With the notable exception of the highly successful VET CENTER program of the VA Readjustment Counseling Service, most VA programs often almost seem designed and implemented to screen people out rather than drawing them in. An example of this would be the almost total lack of effective outreach on either Agent Orange or on Hepatitis C to persons not already regularly using the VA health care system.

Even though Public Law 102-4 requires the Secretary of Veterans Affairs to conduct a regular and effective outreach program to inform and educate veterans about Agent Orange health care and potential disability compensation, VA has no plan in place to accomplish this legal mandate. When questioned under oath about this lack of outreach and public education activity in a hearing in March of this year, the current Director of Compensation & Pension Service stated that VA would be participating in 79 "Stand Downs" in this Fiscal Year. While VVA applauds VA participating in community organized events such as "Stand Downs" designed to reach homeless veterans, this does not constitute a concerted outreach plan.

The simple fact is that it is really hard to get there if you do not know where you are going. Without a map or a fixed objective and milestones, it is easy to get lost. Without a plan, it is easy to not share information about benefits and services as a means of rationing such services, whether intentionally or not.

The New York State Department of Labor created a "Veterans' Employment Hotline" in 1988 as part of an effort to inform veterans about the services available for employment and training needs. Along with concerted outreach efforts, posters, brochures, flyers, public service announcements, and "wallet cards" on the front desk of every Labor office, VA facility, and like facilities, the campaign was a success, with a minimal expenditure of resources.

Vietnam Veterans of America

Hearing on H.R. 4765 & H.R. 3256
 Subcommittee on Benefits
 House Committee on Veterans' Affairs
 July 12th & 13th, 2000

What was interesting is that over half of the calls resulted in assisting veterans with information about VA services of which the veterans did not know, or helping the veteran negotiate the bureaucracy to link up with the person who could actually help meet their need(s). In fact, I have reason to believe that we barely 'scratched the surface' on doing the kind of education and awareness that would sate the demand and need for same, even though a similar hotline for veterans benefits was established by the Legislature for another agency that primarily dealt with securing VA services.

Vietnam Veterans of America (VVA) enthusiastically endorses H.R. 3256 as a much needed effort to help focus the VA on the need to seek assistance from all parties, including DVOPs and LVERs in constructing and implementing a plan for effective outreach and education of veterans as to their entitlements. VVA thanks R. Pascrell and his colleagues for advancing this issue, and you and your colleagues, Mr. Chairman, for expediting progress of this needed legislation toward enactment.

H.R. 4765 – "21st Century Veterans Employment and Training Act"

We view this legislation as a most important bill that will bear positive fruits for thousands of American veterans, especially our young veterans separating from the military, and our disabled veterans. With the advent of technology and globalization, the dynamics of the American workforce are changing at a dizzying pace. Knowledge and information are now the absolute key elements to career success, and high turnover rates in companies and organizations are now the norm. VVA adamantly contends that an effective Veterans Employment and Training Service (VETS) of the Department of Labor is needed in order to ensure that America's veterans become fully integrated and fully participate in this vibrant, "brave new economy" that they have sacrificed for, time and time again on foreign battlefields.

The mission of VETS remains the same: to assist veterans in finding meaningful, gainful employment. VVA believes that many of the methods that VETS uses to perform their mission are now antiquated, and in fact, detrimental at times. We believe the time is ripe for VETS to reform and revamp its structure and methods in order to better meet the challenges that the 21st Century workforce poses to veterans.

At the essence, this legislative proposal makes significant progress in converting the Veterans Employment & Training Service (VETS) from a governmental entity/system that is primarily process oriented toward being one that is performance and results oriented. The simple fact is that all of us do what we believe that we have to do. In other words, we all study to the test, and as human beings seek incentive awards and seek to avoid sanctions. This legislation recognizes this basic fact of human individual and organizational behavior, and seeks to organize this vital system in a manner that is geared toward successful performance and good results for veterans and the Nation.

Vietnam Veterans of America

Hearing on H.R. 4765 & H.R. 3256
 Subcommittee on Benefits
 House Committee on Veterans' Affairs
 July 12th & 13th, 2000

Vietnam Veterans of America (VVA) has repeatedly advocated the "wellness" model as the paradigm toward which all of the programs, benefits, and services should be aimed. What this means is that it is the duty of the people of the United States, through our government institutions, to do everything possible to restore the men and women who have placed their lives on the line in the common defense to the highest degree of autonomy and functioning possible following that military service. VVA is encouraged that the Veterans' Health Administration seems to committed to moving toward a means of taking a complete military history for every veteran who comes to the VA health care system, and then doing a testing, diagnosis, and treatment plan that takes into account everything that the veteran may have been exposed to based on when and where the veteran served in what capacity, and then treating that veteran with a view toward restoring the veteran to the highest degree of "wellness" possible, using a "holistic" view of the physiological, neuro-psychiatric, and psycho-social aspects of health. The 'litmus test' of achieving the highest degree of "wellness" possible for veterans of working age is the ability to obtain and sustain meaningful employment.

While VVA still believes that the Nation's health care system for veterans is underfunded and that the organizational capacity of the VHA is not adequate to meet the full range of legitimate needs of the eligible veterans' population, the simple fact is that we as a Nation do spend billions every year on health care, readjustment counseling, vocational rehabilitation, educational benefits, PTSD treatment, substance abuse treatment and numerous other programs designed to assist veterans. However, if the veteran is not assisted to obtain and sustain meaningful employment, then there is no "payoff" for the individual or for the Nation. To use a football analogy, without the 'points on the board,' it does not matter how many yards in offense one compiles. One can argue that we expend all of our energy in moving the ball eighty plus yards down the field, but have not concentrated enough on how to actually get the ball into the end zone to score. Meaningful work is a key component of helping each veteran achieve the highest degree of autonomy and "wellness" possible, which is (or should be) the explicit goal of every program and service for veterans.

VVA fully supports section 2 of H.R. 4765, which mandates that there shall be priority of service for veterans in federal employment and training programs. At one point in time, priority of service was easily defined and simply meant that a veteran went to the head of a line in a state or county employment office (that receives federal funds). The fact that job services today are being rendered over the internet, coupled with the emergence of the "One Stop Shops", means that "priority of service" has become a nebulous term that is hard to enforce.

This legislation makes it clear that eligible veterans are to continue receiving priority of service for *all* federal funded employment and training programs and clarifies the measures that VETS shall take in enforcing this mandate. Furthermore, this legislation states that contractors and subcontractors doing business with the government (in the

Vietnam Veterans of America

Hearing on H.R. 4765 & H.R. 3256
 Subcommittee on Benefits
 House Committee on Veterans' Affairs
 July 12th & 13th, 2000

amount of \$25,000 or more) must take concerted action to employ and advance in employment, qualified veterans, to include listing of all job opportunities through Disabled Veteran Outreach Program specialists (DVOPs) and Local Veterans Employment Representatives (LVERs) and other appropriate employment delivery systems (including priority in referral). VVA believes this is a timely measure, as more and more government services are being contracted out.

The DVOP and LVER programs of VETS have become the consummate bureaucracy, mired in process-related constraints and stunted by a lack of focus on true results. Section 3 seeks to refocus the DVOP, LVER, and all programs of VETS with an eye toward results by injecting the system with measures and standards of accountability and quality assurance.

The DVOP and LVER programs operate at the state level through federal grants from VETS. For far too long, VVA has observed a significant disparity in the levels of performance between the varying states. Some states, such as South Carolina, do a great job. Others do not perform as well, and some might appear not to care whether they do a good job or not.

VVA believes that a system of *rewards and sanctions* is necessary to ensure that all states effectively and appropriately use these federal grants, and that the DVOP and LVER programs achieve maximum results.

Section 3 requires a performance accountability system to be implemented by September 30, 2001, to "measure the performance of the States, political subdivisions of States, regions, and individuals providing veterans' employment and training services." This system will be implemented in a fair manner, and will take into account such factors as the prevailing economic conditions in a state, and will use a "weighted" job placement system that gives credit to DVOPs and LVERs for placing severely disabled veterans into jobs, as well as other veterans with significant barriers to employment. VVA looks forward to the Demonstration Program, effective October 1, 2001 that will develop and implement this system.

Inherent in this "demonstration program" is a system of rewards and punishment. Each state shall submit a five-year strategic plan to the Secretary of Labor, defining how they intend to render services to veterans. Each state will be subject to an annual review by DOL. We firmly believe that the Annual Incentive Grants will be a necessary component of the demonstration program. These grants will be administered based on a state's performance. States that meet minimal performance standards are guaranteed to receive 100% of the annual base DVOP/LVER funding. The incentive grants will be reserved for those states that perform above and beyond the minimum standards.

Vietnam Veterans of America

Hearing on H.R. 4765 & H.R. 3256
 Subcommittee on Benefits
 House Committee on Veterans' Affairs
 July 12th & 13th, 2000

Section 3 also provides for a limited number of pilot programs for states to contract out veterans employment services for a specified "labor market area." Applicants will be solicited through a competitive process, and all entities awarded such contracts will be held to the same performance and results related measures and incentives as the states. VVA eagerly awaits the implementation of this competitive process, as well as the entire Demonstration Program. In some instances, it is the community-based organizations that can most effectively and efficiently deliver effective assistance to veterans most in need. Furthermore, VVA applauds section 3 for mandating that a State must hold administrative overhead costs to 20 percent.

The current position descriptions for DVOPS/LVERS are wholly unrealistic in the extraordinary scope of duties assigned. Even the Messiah could not regularly do all of these things well. The sheer number and complexity of the statutory job description, which has been expanded over the years, is now such that what had been a genuine effort to solve problems experienced by DVOPs and LVERs being prevented from accomplishing the overall mission serves as a hindrance to actual meaningful job performance.

VVA supports the removal of these prescribed job descriptions, to be replaced with descriptions that are that more accurately reflect the true nature of a DVOP or a LVER's work, and allow for maximum flexibility in performing said work. We are discouraged, however, that the requirement that a DVOP be a disabled veteran, and a LVER a veteran, (not to mention most of the VETS structure) would be dropped as a result of H.R. 4765. At a minimum, VVA strongly believes that a DVOP should be a disabled veteran from one generation or another.

The current method for assigning DVOPS/LVERs to local offices allows for no flexibility. We support the removal of this method, as this will result in DVOPS/LVERs being assigned where they are most in need, and can be employed most effectively for veterans. This may not be in a general public 'One Stop Center' or job service office at all.

H.R. 4765 recognizes the reality of today's job market and of today's veterans seeking employment. We roundly applaud the creation of a "virtual" one-stop "Veterans' job service "office" as it is a forward thinking idea, and will be a service that military personnel and veterans can access around the globe.

VVA also agrees with the language in H.R. 4765 that encourages veterans' service organizations (VSOs) to provide job placement assistance to veterans "who are job ready" through the furnishing of internet ready computers at local posts and other such local-level programs. VVA pledges to take action on this recommendation and strongly encourages our fellow VSOs to embrace this recommendation as well.

Vietnam Veterans of America

Hearing on H.R. 4765 & H.R. 3256
 Subcommittee on Benefits
 House Committee on Veterans' Affairs
 July 12th & 13th, 2000

VVA heartily supports the "21st Century Veterans Employment and Training Act." The time is past due for this nation's veterans to have access to a VETS that is focused on *results* instead of process. The enactment of H.R. 4765 will be a clear signal to today's veterans and military personnel that the Congress and the Administration take seriously the obstacles and barriers to full, gainful civilian employment that military service can place, and are committed to addressing and resolving these problems. H.R. 4765 will result in beneficial results for veterans and optimal use of taxpayers' dollars.

All of us at Vietnam Veterans of America thank you, Chairman Quinn, and salute you, Mr. Filner, Chairman Stump, Mr. Evans and all of your distinguished colleagues and staff for undertaking this difficult mission of modernizing this vital service. We are proud to be one small part of this important endeavor to produce workable veterans' employment legislation that can be enacted this year.

We thank you for all that you do on these and other vital veterans' issues. I would be happy to answer any questions you may have.



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A Not-For-Profit Veterans Service Organization Chartered by the United States Congress

VIETNAM VETERANS OF AMERICA

Funding Statement

July 12-13, 2000

The national organization Vietnam Veterans of America (VVA) is a non-profit veterans membership organization registered as a 501(c)(19) with the Internal Revenue Service. VVA is also appropriately registered with the Secretary of the Senate and the Clerk of the House of Representatives in compliance with the Lobbying Disclosure Act of 1995.

VVA is not currently in receipt of any federal grant or contract, other than the routine allocation of office space and associated resources in VA Regional Offices for outreach and direct services through its Veterans Benefits Program (Service Representatives). This is also true of the previous two fiscal years.

For Further Information, Contact:

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RICK WEIDMAN

Rick Weidman serves as Director of Government Relations on the National Staff of Vietnam Veterans of America. He served as a medic with Company C, 23rd Med, America Division, located in I Corps of Vietnam in 1969.

Weidman was part of the staff of VVA from 1979 to 1987, serving variously as Membership Service Director, Agency Liaison, and Director of Government Relations. He left VVA to serve in the Administration of Governor Mario M. Cuomo (NY) as Director of Veterans Employment & Training for the New York State Department of Labor.

He has served as Consultant on Legislative Affairs to the National Coalition for Homeless Veterans, and served at various times on the VA Readjustment Advisory Committee, the Secretary of Labor's Advisory Committee on Veterans Employment & Training, the President's Committee on Employment of Persons with Disabilities on Disabled Veterans, Advisory Committee on veterans' entrepreneurship on the Small Business Administration, and numerous other advocacy posts in veteran affairs.

Weidman was an instructor and administrator at Johnson State College (Vermont) in the 1970s, where he was also active in community and veteran affairs. He attended Colgate University B.A., (1967), and did graduate study at the University of Vermont.

He is married and has four children.

STATEMENT BY

RAYMOND G. BOLAND

SECRETARY

WISCONSIN DEPARTMENT OF VETERANS AFFAIRS

AND

LEGISLATIVE CHAIRMAN

NATIONAL ASSOCIATION OF STATE DIRECTORS OF VETERANS AFFAIRS

BEFORE THE

**SUBCOMMITTEE ON BENEFITS
COMMITTEE ON VETERANS' AFFAIRS
WASHINGTON, D.C.**

JULY 13, 2000

Mr. Chairman, members of the Subcommittee, I deeply appreciate this opportunity to testify concerning the 21st Century Veterans Employment and Training Act (HR 4765) and the Veterans Right to Know Act (HR 3256).

Today I am representing two distinct yet related veterans' organizations – the State of Wisconsin Department of Veterans Affairs (WDVA), of which I am Secretary, and the National Association of State Directors of Veterans Affairs (NASDVA), of which I am the Legislation Committee Chairman. In this dual capacity, I bring to this committee the collective voice of all states' Departments of Veterans Affairs regarding the development of policy and legislation for the delivery of programs, benefits and services to our nation's veterans. I also bring the perspective of more than eight years of service as the Wisconsin Secretary of Veterans Affairs where we have a wide array of programs that supplement federal veterans benefits.

In previous testimony before this Committee, I stated that NASDVA is the only organization that represents all of America's 25 million veterans. I want to re-emphasize that point today and add that we are the nation's largest providers of direct assistance to veterans and their families through our state and county service officers working at the community level. From our grass roots vantage point, we are very appreciative of the effort made by Chairman Stump and the other members of this Committee who sponsored both of these important pieces of legislation and wish to express our thanks and lend our full support for passage.

I would first like to comment on H.R. 3756, the Veterans Right to Know Act. For many years the states have shouldered the responsibility of promoting federal programs and benefits without resources or assistance from the VA. We have borne the costs of this and frankly, we have mixed results from one state to another in the effectiveness of these efforts. We urgently need help from the VA to accomplish the outreach needed to more fully inform veterans of benefits available to them. H.R. 3256 can make this happen.

Let me offer some first-hand feedback on the need for a Veterans' Right to Know Act. Two years ago we did a mail survey among Wisconsin veterans. We used a computer driven model to randomly distribute the survey to 3,000 veterans proportionately divided among the population statewide, by periods of service. We experienced a remarkable return rate of 50%. The survey was designed to find out how much veterans knew about benefits, and how they knew. Only 31 percent of the respondents indicated membership in a veterans' service organization and only one-fourth of those indicated they actively participated in member meetings and events. Twenty-two percent indicated knowledge of benefits received through service organization publications. Print media more than doubled radio and television combined as an information source. Thirty percent of the respondents expressed an interest in 1-800 phone access and less than ten percent desired Internet as an information source. Overall, knowledge levels are low, and much needs to be done to change this.

We have contracted professional public relations help in Wisconsin to design and implement our own outreach campaign. One of the questions the PR firm asked us is "why wasn't the federal VA doing this?"

One recommendation we have for H.R. 3256 is that Section 7727, Annual Outreach Plan, be revised to include a subparagraph that specifically identifies the state veterans offices as consultants in the development of the annual outreach plan.

Insufficient outreach and marketing is also a factor in the under-utilization of veterans employment services but our concerns with this issue are more fully addressed in H.R. 4765, The 21st Century Veterans Employment and Training Act.

The Workforce Investment Act of 1998 mandated that each state develop flexible plans to bring together many diverse and independent partners within the One Stop Job Center. Many states like Wisconsin have moved aggressively to identify the resources to create the flexible and innovative service delivery system that the Act promotes. In so doing, a synergistic effect is established between unique and varied entities at the state level by a streamlined effort to merge nationally standardized programs with flexible local application. Accordingly, any conflicts may be addressed and resolved

within the regulatory guidelines of the Workforce Investment Act and the local governance of the state.

H.R. 4765 is a step in the right direction to coincide with already enacted provisions of the Workforce Investment Act. The current USDOL process of centralized governance and administration of employment and training services at the federal level while divergent operational agencies at the local level are actually providing the services tends to inhibit innovation and creativity at the local level. With the current restrictions, flexibility and creativity are lost. Mr. Chairman, we have actually seen situations where states have been warned by DOL that any state innovations in service delivery, even if they might enhance outreach and access but are outside the box, could result in the loss of federal grants.

Enactment of H.R. 4765 will create an employment and training service that is outcome based as opposed to process driven. We strongly support the 5 year "demonstration" project; the 5 year state strategic plan; and, the Labor Market Area Pilot Program. These elements of the legislation will allow for a "best practice" to evolve in the delivery of employment and training services to veterans. We applaud the provision for the creation of state pilot programs and we are eager to begin. We recommend that the states selected to participate have the freedom from current restrictions to be truly innovative and to be able to involve their state veterans' agencies.

Individual state's One Stop Job Center concept can serve as a model through which a federal-state coalition could maximize existing veterans systems by bringing together all public service providers under the control of each governor – including those made available by federal funding streams. Under the leadership of the governor, states can funnel benefits and services through a simplified conduit into a unified infrastructure that will be both equitable and efficient. We can avoid duplication and waste, while delivering a more comprehensive product to our veterans.

Not only does the Workforce Investment Act encourage flexibility on the local level, but it also accommodates the shifting of responsibility and authority we have seen in recent years for veterans' programs to state government. The USDVA has established major partnership programs for state management of long-term care and the veterans' cemeteries. The states also perform the approval function for schools receiving G.I. Bill payments for student veterans. These precedents support your efforts for new actions in the labor arena that can result in similar success stories in efficiency and service through state government. Our ultimate recommendation is for the Congress to allow each Governor to decide where the vets' employment services are located, how they operate, who supervises them – while continuing to remain accountable to the Department of Labor for performance standards.

Mr. Chairman, we believe strongly that state government should be an important part of the solution in improving service to our veterans. These two bills can strengthen and build upon existing federal and state partnerships to achieve the best result in the most cost-effective manner. Please consider seriously this opportunity to push down federal programs that will work better with decentralized management.

I thank you again for including state government in this hearing. It is fitting that you consider our views, as we carry the lion's share of the responsibility to transition veterans back into civilian life in our communities. Thank you so very much for this opportunity.

**JAMES B. HUBBARD, DIRECTOR
NATIONAL ECONOMIC COMMISSION
THE AMERICAN LEGION
BEFORE THE
SUBCOMMITTEE ON BENEFITS
COMMITTEE ON VETERANS' AFFAIRS
U.S. HOUSE OF REPRESENTATIVES
ON
HR 3256 AND HR 4765**

JULY 12-13, 2000

Mr. Chairman, The American Legion appreciates the opportunity to present its views on HR 3256, a bill to improve outreach programs at the Department of Veterans Affairs (VA), and HR 4765, a bill to improve employment and training services to veterans.

HR 3256 would amend 38 USC, section 7722, to require the Veterans Benefits Administration (VBA), as part of its outreach program, to provide additional information concerning benefits and health services to individuals applying for any VA benefit. This proposed change emphasizes the need to provide veterans and other claimants with more useful information on the benefits and services to which they may be entitled. The bill also includes a provision requiring the Secretary to develop an annual plan to: (1) reach out to veterans who are not currently in the VA benefit or health care system, and (2) keep veterans and dependents informed when there are changes in benefit or health care eligibility. In addition, the Secretary's annual report to Congress, required under section 7726, shall include specific information on the effectiveness of VA's outreach efforts.

The American Legion believes the current Outreach Services Program, authorized under Chapter 77, Subchapter II of 38 USC, is an essential part of VA's overall statutory "duty to assist" responsibility. This "duty" is not limited to assisting claimants in the development of evidence as part of the adjudication process. It also includes a "duty to inform" veterans and other potential beneficiaries about both the general provisions of VA benefit laws and the specific requirements of the law and regulations based on the facts in their own individual claims. It is important that members of the Armed Forces, veterans, their dependents, and survivors are fully informed about the many earned benefits and services available through VA. They must have information that is appropriate, clear, and understandable about how to exercise their rights in applying for any of these benefits or services, and, equally important, where they can obtain personal assistance and representation. The proposed requirement for an annual outreach plan, based on consultation with the veterans' service organizations, local education and training officials, local employment representatives, business and professional organizations, and others would provide better coordination and direction to VBA's future outreach efforts. This type of plan would also be of assistance to VBA in assessing and evaluating the effectiveness of its outreach initiatives. Mr. Chairman, this Subcommittee is currently considering legislation to clarify the nature and extent of VA's "duty to assist" veterans and other claimants in the preparation and development of specific claims for benefits. The American Legion believes HR 3256 would directly complement this legislation by enhancing benefits information that is provided to veterans and others as part of VBA's outreach program. By being better informed, veterans and other potential beneficiaries would be able to file more completely developed claims. This, in turn, should help reduce the amount of time it takes for the VA regional offices to process, adjudicate and pay any benefits due.

Mr. Chairman, before addressing the specifics of HR 4765, it is appropriate to consider some background information. Chapters 41 and 42 of Title 38 USC, in their current form, were the result of the passage of PL 100-323 more than a decade ago. That law was designed to assist Vietnam era veterans in their transition to civilian life when society, at large, was exhibiting a certain amount of antipathy toward hiring these specific veterans. Some States were displaying a certain amount of hostility toward Vietnam era veterans in the public labor exchange services offered to all citizens.

The American Legion has heard it said the employment and training provisions currently in Title 38 were designed for a veteran population which is now aging and, for the most part, no longer

in need of the services. Many feel that Chapters 41-43 of Title 38 should be changed to reflect the needs of the more current population of veterans now entering the workforce. The American Legion doesn't necessarily agree with this premise and has some reservations about how much the needs of veterans have changed.

Consider the report entitled **Employment Situation of Vietnam Era Veterans** just released by the Bureau of Labor Statistics, in cooperation with the Veterans' Employment and Training Service (VETS). The report refutes some of the assumptions about Vietnam era veterans and their place in the labor force. Consider the following:

- Nearly 90 percent of Vietnam era male veterans had not reached the standard retirement age of 65 as of September 1999
- The labor force participation rate for Vietnam theater veterans was 76.5 percent and the unemployment rate was 3 percent
- For non Vietnam theater veterans the labor force participation rate was 82.9 percent and the unemployment rate was "essentially the same" as for theater veterans (2.4 percent).
- Just under a million male veterans of the Vietnam era reported having a VA service-connected disability rated from 0-100 percent. Twenty-three percent of that group had a VA service-connected disability rating of 60 percent or higher. Only one fourth of those with a 60 percent or higher VA service-connected disability rating participated in the labor force.

Clearly there is still a need for the services of Disabled Veterans' Outreach Program specialists (DVOPs) and Local Veterans' Employment Representatives (LVERs).

Mr. Chairman, The American Legion supports the concept of revitalizing and to the extent necessary, reinventing VETS. The last major changes took place more than a decade ago, with some minor adjustments made in the interim. The American Legion is also mindful of the lengthy discussions on how to restructure this important program which took place under your auspices.

Section 2 of this bill adds a new Section 4215 which clarifies the meaning of the phrase "*priority of service*" and further defines who is entitled to this benefit. The American Legion wholeheartedly supports the definition contained in the legislation. We have advocated a more specific definition for some years. We also support the involvement of the Advisory Committee on Veterans' Employment in monitoring the implementation of this provision.

The American Legion also supports the language regarding the employment of veterans with respect to Federal contracts. Though language with respect to this program exists in Title 38, enforcement is problematic. No effective enforcement provisions exist. The addition of section 4216, which includes the Federal contractor program in the enforcement provisions, is much welcomed and much needed.

Mr. Chairman, The American Legion has some concerns about Section 3 of this legislation. Some background information is in order. The Workforce Investment Act will have a major impact on whatever emerges from the legislative process. The system operated by VETS only amounts to about 15 percent of the total public labor exchange. With the advent of automated systems in one-stop career centers, registrations will invariably decrease. Job ready veterans will access the automated systems on their own without seeing a DVOP or LVER. This will free up the time of these vital people to serve those needing additional assistance in finding work.

There is an old adage: *Give a man a fish and he will eat today; teach a man to fish and he will eat for the rest of his life.* Since its inception VETS continues to teach proven job finding skills and techniques. Over the years, the effectiveness of this effort has paid big dividends in that many veterans are able to successfully find employment without the close supervision of VETS. But in periods of low unemployment, finding a job is not as challenging as during prolonged periods of high unemployment when job vacancies are at a premium. Where does a veteran turn in those desperate moments?

One of the issues raised by the report of the Commission on Service Members and Veterans Transition Assistance. The Commission examined data recorded on a document known as the ETA 9002 report. The data show that only about 25 percent of the veterans registered by the

system found employment in the 90-day period following employment. There is a body of evidence that tends to put this data in question.

The data contained in the ETA 9002 is incomplete. In fact, proper measurement of some veterans who use the system, but don't register, is difficult and expensive. For example, out-of-state placements of veterans are not counted. Many veterans are underemployed and still actively seeking meaningful employment. Other veterans hold several part-time jobs and are still seeking full-time employment. A veteran who finds a job 90 days or more after receiving services is not counted. Veterans who find jobs through America's Job Bank are not counted. Veterans hired by Federal contractors or through the veterans' preference statutes are not counted. It is not that these people can't be counted. They can, but it is very expensive. Funding for these measurements must come from the same place as funding for DVOPs and LVERs. Given a choice between measuring achievements and hiring people to assist veterans, VETS has chosen to do the hiring. This is a proper choice in the view of The American Legion.

In an effort to further define what is really happening, VETS commissioned a study which followed veterans who registered with the Maryland Job Service for six calendar quarters from January 1997 through June 1998. Using Social Security numbers, the study matched those who registered against wage record data. Without going into the particular details of the data, the study shows that the "entered employment" rate for all veteran registrants was 77.5 percent in calendar year 1997. Over 81 percent of veterans claiming unemployment benefits entered employment. While this data only covers one state, it clearly shows a system working quite well.

Mr. Chairman, this bill adds a new section 4212 to Title 38. The new section creates a nationwide demonstration program, which would significantly alter the way in which veterans are served. The new section directs the Labor Secretary to devise a new method of accountability designed to reflect the actual performance of the agency and the network it funds. This is the right and proper thing to do. However, The American Legion has some serious concerns with major alterations in the veterans' portion of the public labor exchange based on data that is currently incomplete. Redesign may be warranted in the future, but until adequate, accurate data is collected the decision to redesign the system may be premature. It is entirely possible that the new accountability system mandated by this legislation will demonstrate that the current system is doing just what it is supposed to do, as did the data from Maryland.

The idea of demonstration projects is not new. A pilot program is a tried and true method of discovering new and better ways to do business. What The American Legion would suggest is that the Labor Secretary, in cooperation with several states, design a demonstration project or projects to be implemented over a 12 to 24 month period. The provisions allowing states to contract with "organizations or entities to carry out employment, training, and placement services" could be included in one or more of the pilot programs. These projects can then be compared with similar states operating with the current DVOP/LVER system, **using the new accountability procedures mandated by this legislation.** Then and only then can we know for certain whether the current system is accomplishing what is intended.

The American Legion will look forward to seeing what the data show, **including the data on disabled and special disabled veterans.** DVOPs and LVERs are required by the proposed legislation to serve those veterans who have severe barriers to employment either through lack of training or through some result of their military service. These veterans require more time, effort, and expertise to place in employment. In the current system, those veterans are placed at an average cost of \$500. We seriously question whether a for-profit private contractor, allowed under this legislation, will have an incentive to adequately serve hard to place veterans.

Mr. Chairman, under Section 4212 (e), Terms and Conditions of Grants, we assume that nothing in the legislation would prohibit the Labor Secretary from imposing sanctions on underperforming states once the new accountability standards are in place. It is one thing to offer incentives, which is accomplished under a previous section of this bill, but sanctions should also be used as a performance tool. The American Legion supports incentives. We also support sanctions for those states not performing up to the accepted levels.

Mr. Chairman, the next section of the bill also causes us some concerns. Under the rubric of "Flexibility in Staffing," this bill would eliminate sections 4102A, 4103, 4103A, and 4104. By

doing this, the mission of the agency is repealed. The new section 4103 is substituted with several key provisions missing.

- There is no provision that the Assistant Secretary for Veterans' Employment and Training (ASVET) be a veteran. The American Legion **STRONGLY** urges that this be made a requirement.
- The residency requirement for State Directors (DVETS) is missing. The American Legion is mandated to support the requirement that any person appointed to the position of DVET must have been a resident of that State for a minimum of two years.
- The position of Assistant State Director for Veterans' Employment (ADVET) is made optional. The American Legion's problem with this provision is based on its experience with seeking funding for VETS. **The Appropriations Committees make it a practice not to fund optional positions.** IF DVETS are to be effective in their positions in large states, then ADVETS positions must be made mandatory in those large states where the workload for the DVET justifies the additional position.
- The section instructs the Labor Secretary "to the extent practicable, appoint qualified veterans as supervisory personnel." We can think of no case where it isn't practicable. The American Legion recommends that the phrase "to the extent practicable" be removed.

One of the major themes of this bill seems to be that of turning over the administration of veterans' employment and training programs over to the States, thereby abdicating the Federal role. The American Legion must point out that the state employment security agencies do not have a particularly good record in this area. There is evidence that some local office managers are tasking LVERs and DVOPs to do work other than that prescribed by the statute. The primary reason for the passage of PL 100-323 in the 100th Congress was the lack of attention to the employment problems of Vietnam veterans by the States. According to the Bureau of Labor Statistics, most Vietnam era veterans are still in the workforce.

The American Legion also has a philosophical problem with trusting the States with more authority for these important programs. Those of us who have served in the Armed Forces did not join the Army of Michigan, the Navy of New York, or the Air Force of Virginia. We joined the Armed Forces of the United States. When veterans leave the service after serving honorably, they look to the Federal government to help with their transition to civilian life. The Federal government was there as it has been for many years. The American Legion believes it appropriate to provide Federal assistance and Federal oversight in finding a career to those who are leaving Federal service in its armed forces.

Mr. Chairman, The American Legion applauds the inclusion of the paragraphs on the inclusion of technical innovations and the increase in accuracy in reporting. Both of these paragraphs will enhance the ability of the agency to reflect what is actually happening in the locations where services are provided to veterans.

Mr. Chairman, Section 4 of this proposal The American Legion believes to be particularly important. The American Legion continues to advocate the use of marketing tools to convince employers that veterans make the **best employees!** Most people in this room are aware that veterans, because of the sterling attributes they can bring to a work environment, are a national resource. The creation of a committee to raise the awareness of private sector community about this national resource is a most positive step. The American Legion has heard some concerns that the addition of another committee would duplicate the work of the existing Advisory Committee on Veterans' Employment (ACVET). The American Legion suggests that this new committee would have an entirely different mission external to the operations of the agency. The current advisory committee looks at matters internal to the operations of VETS. These two missions should be kept separate. Both are critical to the successful employment of veterans in the workplace and both deserve a group of dedicated people to steer their course.

Mr. Chairman, The American Legion appreciates the opportunity to comment on this legislation. We will be happy to respond to any questions.

**STATEMENT OF
RONALD W. DRACH
before the
SUBCOMMITTEE ON BENEFITS
COMMITTEE ON VETERANS AFFAIRS
U.S. HOUSE OF REPRESENTATIVES
July 13, 2000**

Mr. Chairman and Members of the Subcommittee:

It is a pleasure to appear before you today to discuss the legislative proposals contained in the 21st Century Veterans' Employment and Training Act (H.R.4765) introduced on June 27, 2000 and co-sponsored by Chairmen Stump and Quinn, and Ranking Members Evans and Filner. You are to be commended for your bipartisan approach to addressing the employment needs of our Nation's veterans.

I am honored to be asked to present my views on this proposed legislation. I have reviewed H.R. 4765 and wish to offer the following comments and recommendations. For simplicity purposes, when referring to a provision of the bill, I will cite the page and line number.

On page 2 lines 15 through 21, you discuss *Priority of service for veterans in federal employment and training programs*. Many times "eligibility" is based in whole or part, on an individual's or family's income. In determining "eligibility" all income derived from VA benefits should be explicitly excluded. These benefits are earned entitlements and should not be counted as income. Several years ago, title 38, US code contained section 2108. Section 2108 provided that such income could not be counted in determining eligibility for Federal employment and training programs. A similar provision should be added to H.R. 4765 (I don't know why or when section 2108 was deleted).

Page 3, lines 15 through 19, discusses the inclusion of a representative from the "veterans community, particularly from veterans service organizations." In the past state and local jurisdictions circumvented the Congressional intent of this type of language by appointing someone who was a "member" of a veterans organization and not necessarily a "representative" of such an entity. I also recommend you include language that would broaden that representation to someone from a veterans community based organization (CBO).

Also on page 3, beginning on line 20 there is a requirement for an "Annual Report". The provisions of that report are important and should be retained.

Under "Definitions" (page 4, line 7), you include "A veteran who has a service-connected disability" as a "covered person". I fully support the inclusion of this definition. This means that all service-connected disabled veterans will be included and not just those who have attained a certain percentage of disability.

I suggest the following change on page 5, line 15, after "includes" add "but not limited to".

Page 7, beginning on line 14, talks about Federal contractors listing their employment openings with the "appropriate employment service delivery system..." When Federal Contractor Job Listing (FCJL) began in the mid 1970's, the Department of Labor, by regulation (notwithstanding written objections by the VSOs) excluded from the listing requirement jobs that paid \$25,000 or more. The legislation needs to make it clear that there is no salary cap on the jobs to be listed.

H.R. 4765 defines the term "qualified" (page 9, line 3) as: "The term 'qualified' with respect to an employment position, means having the ability to perform the essential functions of the position with reasonable accommodation". This provides additional protection to disabled veterans against being arbitrarily denied employment based on their disability alone. It is consistent with the employment protections accorded people with disabilities under the Americans with Disabilities Act (ADA).

The legislation proposes to amend section 4214 (b) (1) of title 38 to change the "Veterans' Readjustment Authority" to Veterans' Recruitment Authority" (page 11, lines 5 through 7). I have long supported changing "readjustment" to "recruitment". "Readjustment" has a negative connotation as if there is a problem with the individual and he/she must "readjust". "Recruitment" has a positive connotation. When someone "recruits" they are looking for desirable individuals. In making this change you also retain the "VRA" acronym which has a positive image. The VRA is probably the most successful employment program for veterans. Federal agencies and departments are familiar with that term.

I support Section 4216 "Enforcement of veterans' employment rights and benefits (page 11, line 18 through page 16, line 24). I do have one recommendation for change. On page 16, beginning on line 13, "ADDITIONAL PERSONNEL", H.R. 4765 "authorizes" the Secretary of Labor "...to allocate an additional 10 full-time equivalent positions from the Employment and Training Administration to the Veterans' Employment and Training Service..." I believe this language is too permissive and suggest on line 14 "is authorized to" be deleted and in lieu thereof insert "shall".

A demonstration program is authorized (beginning on page 16, line 19) "TO MODERNIZE EMPLOYMENT, TRAINING, AND PLACEMENT SERVICES. This is a worthwhile program. This new section 4112, among other things, establishes a panel within the Advisory Committee on Veterans Employment and Training (ACVET). This panel would be "comprised of State public employment service officials, including disabled veterans' outreach program specialists and local veterans employment representatives. Such officials shall advise the Secretary on the development and implementation of the demonstration program...at local delivery points in the employment service delivery system" (page 18, lines 3 through 12).

Overall I believe this is a good idea. Some questions do come to mind.

- How often will they meet?
- Where will they meet?
- Who will pay their expenses?
- Will there be a chair of the panel, and if so, how will he/she be appointed and for how long will they serve?
- Will this panel be in existence for the life of the demonstration program?
- What will be their relationship to the ACVET?
- Should they meet in concert with the ACVET?

I support the "ESTABLISHMENT OF PERFORMANCE STANDARDS AND OUTCOME MEASURES" (page 18, line 19). I would like to offer a few suggestions. On page 18, line 22, after "Veterans' Employment and Training" add "in consultation with the Advisory Committee on Veterans' Employment and Training". On page 19, line 15, after "disabled veterans" add "homeless veterans". On page 19, line 22, after "or an individual" add "or entity".

This new demonstration project will provide "incentive grants" to service delivery systems identified on page 21, lines 10 through 19. This is a good idea as long as the Secretary establishes meaningful performance measures. Realistic performance standards must be developed so as to avoid someone receiving a "reward" without really making any significant improvement.

Certain factors are to be considered in determining the amount of an incentive grant. Some factors to be considered include "prevailing economic and unemployment conditions that affect performance of individuals providing employment, training, and placement services in the State" (page 22, lines 10 through 14). Another factor to be considered should be the State's accomplishments with respect to disabled veterans, special disabled veterans, homeless veterans and others with significant barriers to employment.

The demonstration program also "establish[es] within the State a pilot program under which the State may enter into a contract with organizations or entities to carry out employment, training, and placement services within a designated labor market area..." (page 23, lines 11 through 15). I support this provision.

This proposed legislation limits the amount of funds that a state may use for administrative purposes. This limit is 20% of the funds received. There has been for far too long a wide range among the states used for administrative costs. Some states charge as much as 37%. This is a much-needed limit.

A new section 4103 would be added (page 25, line 12). This section establishes the appointing process for the Assistant Secretary; Deputy Assistant Secretary; as well as additional personnel. I urge you to reconsider the proposed appointment requirements for the Deputy Assistant Secretary. I agree the individual appointed shall be a veteran. I agree with Congressional intent that this position be a career position. I believe requiring the individual to have at least "five years of continuous service in the Federal civil service in the executive branch immediately preceding appointment as the Deputy Assistant Secretary" is too restrictive. This would deny the opportunity for many otherwise qualified individuals who may work at the state level or even the private sector including veterans service organizations to be considered for the job. The position can be made "career" in concert with the appropriate provisions of title 5, USC and the competition should be open to all qualified candidates.

There should be a requirement that the "ADDITIONAL FEDERAL PERSONNEL" (page 27, line 5) be veterans. If H.R. 4765 is amended to conform to that recommendation then "(c) PREFERENCE FOR QUALIFIED VETERANS IN SUPERVISORY POSITIONS" should be deleted.

The report (page 34, beginning on line 13) is important and necessary to assure full compliance with the provisions of H.R. 4765. This report will provide accountability and corrective measures that for all too long have been absent. It is imperative to the success of this legislation that this provision be fully implemented.

Section 4 establishes the "COMMITTEE TO RAISE EMPLOYER AWARENESS OF SKILLS OF VETERANS AND BENEFITS OF HIRING VETERANS (page 35, line 9). Such a committee responds to the information revealed to the Transition Commission from a national survey of employers. One of the questions asked was "If you wanted to hire a veteran, do you know who to contact"? Of the employers who responded 57% did not know whom to contact. When asked, "Whom would you contact"? Only 25% of the employers who "knew who to contact" would contact job service offices, while 49% said they would contact the VA.

Even if employers wanted to make a concerted effort to hire veterans, the survey reveals 57% did not know who to contact, and half of those who "knew" would contact the VA. I believe we know what would happen in most cases if an employer contacted the VA toll free number to seek veteran applicants.

The membership appointment process of the Committee begins on page 36, line 3. I'm not sure if this is the best process to accomplish a well-balanced effective committee or not. However, I don't have any specific recommendations for change.

I do have a suggestion to add two ex officio members (page 36, line 24). I recommend the Director of the Office of Personnel Management (OPM) and the Postmaster General. OPM has certain affirmative action obligations and federal departments and agencies must list certain job openings with the local Job Service Office. The Post Office is the largest employer of veterans.

Section 6 (page 40, line 7) requires a **STUDY ON ECONOMIC BENEFITS TO THE UNITED STATES OF LONG-TERM SUSTAINED EMPLOYMENT OF VETERANS**. Such report is required to be submitted to the Secretary of Labor "...not later than 18 months after the date on which that Secretary enters into such contract". I believe 18 months is too short a period to conduct such an extensive and important study. Having recently completed an 18-month mandatory completion cycle on the Transition Commission, I assure you that a minimum of 30 to 36 months is necessary.

I have additional recommendations not contained in H.R. 4765 – one is **the repeal of the residency requirement** for Directors and Assistant Directors of the Veterans Employment and Training Service.

There are so many reasons the residency requirement is restrictive, unfair, limits competition, and bars upward mobility for qualified Assistant Directors, DVOPs and LVERs that a separate hearing could be justified on that issue alone. By imposing a state residency requirement we are denying certain individuals the right to determine where he or she wishes to live and pursue their occupation. Residency has absolutely no bearing on an individual's qualifications or ability to do a job. These positions are the only federal jobs requiring such a residency requirement.

It denies the Assistant Secretary the ability to choose the best-qualified candidate, because the best-qualified candidate may not even be considered. Countless LVERs and DVOPs have been denied the opportunity to apply for and be considered for these positions unless the vacancy occurs in their state of residency. Countless Assistant [State] Directors have missed opportunities for the same reason. Existing Directors of small states who may want the challenges of a larger state cannot be considered.

RECOMMENDATION – Abolish the current residency requirement. The House of Representatives has passed legislation to this effect on several occasions. I strongly urge you to do it again and send it to the Senate.

I also urge this Committee to consider expanding the current unpaid work experience program for disabled veterans pursuing a program under VA vocational rehabilitation.

There currently exists authority for a disabled veteran pursuing a vocational rehabilitation program to use government facilities for on-the-job training or work experience at no or nominal pay as part of the disabled veteran's vocational rehabilitation program. This authority is contained in title 38, U.S.C. section 3115 (CFR 38, section 21.299), and states in part "The facilities of any agency of the United States (or of any State or local government receiving Federal financial assistance) may be used to provide training or work experience at no or nominal pay as all or part of the veteran's program of vocational training. The counseling psychologist and case manager must determine that the training work experience is necessary to accomplish vocational rehabilitation and providing such training or work experience is in the best interest of the veteran and the Federal government"(emphasis mine). **This program is designed to enhance the disabled veteran's employability.**

RECOMMENDATION – Amend H.R. 4765 to extend this authority to include, "employers" or "hosts" similar to the work-study program, e.g., non profit organizations, veterans service organizations, community based organizations and others as deemed appropriate by the case manager, vocational rehabilitation counselor, or counseling psychologist.

RECOMMENDATION – Amend section 3115, 38 U.S.C. to add "vocational rehabilitation counselor" after "counseling psychologist".

Mr. Chairman, that concludes my statement and I will be happy to respond to any questions.

STATEMENT OF
JAMES N. MAGILL, DIRECTOR
NATIONAL EMPLOYMENT POLICY
VETERANS OF FOREIGN WARS OF THE UNITED STATES
BEFORE THE
SUBCOMMITTEE ON BENEFITS
COMMITTEE ON VETERANS' AFFAIRS
UNITED STATES HOUSE OF REPRESENTATIVES

WITH RESPECT TO
H.R. 3256, THE "VETERANS' RIGHT TO KNOW ACT" AND H.R. 4765, THE
"21ST CENTURY VETERANS EMPLOYMENT AND TRAINING ACT"

Washington, DC

July 13, 2000

Mr. Chairman and Members of the Subcommittee:

On behalf of the 1.9 million members of the Veterans of Foreign Wars of the United States, I appreciate the opportunity to participate in today's legislative hearing on H.R. 3256, the "Veterans' Right to Know Act" and H.R. 4765, the "21st Century Veterans Employment and Training Act."

H.R. 3256, the "Veterans' Right to Know Act" was introduced by Mr. Pascrell with many co-sponsors to include Mr. Evans, Mr. Gutierrez, Mr. Doyle, Mr. Peterson, Ms. Carson and Mr. Shows of the full committee. This bill would improve outreach programs carried out by the Department of Veterans Affairs to provide for more fully informing veterans of benefits available to them under laws administered by the Secretary of Veterans Affairs.

Mr. Chairman, through their service in the Armed Forces veterans are eligible to receive a multitude of benefits and entitlements. As to whether they take advantage of these earned benefits and entitlement rests with them being aware they exist. While it may not be possible to inform all veterans of their rights, particularly those who have been separated for a pro-longed period, the VFW believes VA has the responsibility to do everything possible to ensure that veterans know to the fullest extent their entitlements and benefits. H.R. 3256 would mandate the improvement and co-ordination of outreach activities between VA and other concerned entities. The VFW urges the enactment of H.R. 3256.

Mr. Chairman, also under consideration today is H.R. 4765, the 21st Century Veterans Employment and Training Act. This bill was introduced on June 27, 2000 by Mr. Quinn, Chairman of this Subcommittee and enjoys the co-sponsorship of Mr. Stump, Chairman of the full Committee; Mr. Evans ranking member of the full Committee and Mr. Filner, ranking member of this Subcommittee.

The relationship between veterans, disabled veterans, and employment is vital to public policy and today's environment. Veterans, and particularly disabled veterans, often encounter barriers to their entry into the workforce. Many have difficulty obtaining appropriate training, education, and job skills. These in turn contribute to low income levels, low labor force participation rates and high levels of reliance on public benefits.

The stated mission of the Veterans Employment and Training Service (VETS) is to help veterans, reservists, and National Guard Members in securing employment, training, and the rights and benefits associated with their military service. The key elements of VETS' mission are Enforcement; Veterans Preference; Employment and Training Assistance; Public Information Service; Inter Agency Liaison, and Training.

What must be paramount within VETS is ensuring that Veterans get the maximum employment and training opportunities within the workforce. This effort should extend beyond the priority of services provided by the federal public employment service system and the efforts of the Disabled Veterans Outreach Program and Local Veterans Employment Representatives staffs. Efforts to identify federal contractors and subcontractors, the Transition Assistance Program, marketing to employers, ensuring that veterans preference is given for federal jobs, and facilitating use of knowledge, skills and abilities of separating service members in the civilian labor market do not show in traditional Departmental information collections. Thus VETS must initiate interventions that incorporate set objectives that match the interventions planned.

H.R. 4765 contains several provisions, which are intended to improve the employment and training services to veterans. Section II of the bill defines priority of service to veterans who have a service – connected disability; have received a campaign Badge; or certain spouses of a veteran.

Section II also provides that in the case of Federal Contracts and subcontracts in the amount of \$25,000 or more, the contractor shall take affirmative action to employ and advance qualified veterans, to include the listing of employment opening through the appropriate employment delivery systems and priority of referral for those openings.

Finally, Section II defines the means by which the Assistant Secretary of Labor for Veterans' Employment and Training shall enforce a veterans' earned rights and benefits. After predefined steps, a veteran ultimately may pursue resolution of his complaint in any United States district court.

The VFW support the provisions of Section II

Section III would establish a 5 year demonstration program to modernize veterans employment, training, and placement services. The demonstration program shall include an advisory panel within the Secretary's Advisory Committee on Veterans' Employment and Training to ensure States and DVOPS/LVERS have an adequate pre-decisional voice in the development and implementation of the demonstration program.

Section III also would establish performance standards and outcome measures no later than September 30, 2001. Such standards, to provide a level of accountability, shall be consistent as mandated under the Workforce Investment Act of 1998. In order to assist states in the delivery of employment services, the Secretary shall make grants to states utilizing a pre-described formula. In addition to these "base grants", the Secretary shall make "incentive grants" to a state that the Secretary determines has met a predetermined minimum standard.

A State, under Section III, shall prepare and submit to the Secretary a 5-year strategic plan detailing how that State would furnish services to veterans under the 5-year "demonstration" program. This plan may include a request for a "base grant" for one fiscal year to establish within the State a pilot program under which the State may enter into a contract with organizations or entities to carry out employment, training, and placement services within a designated labor market area of the State. A state may not submit more than three pilot programs and no more than 10 states could participate on a first – come, first-serve basis. Organizations or entities would be subject to the same performance /outcome measures and incentives as states.

With respect to the establishment of positions within the Veterans' Employment and Training Service, it is mandated that the Deputy Assistant Secretary of Labor for Veterans Employment and Training shall be a veteran. However; there is no language in the bill that mandates the Assistant Secretary be a veteran! The VFW strongly urges the bill be amended to require that the Assistant Secretary position also be a veteran. It is also noted that the Secretary shall, "to the extent practicable", appoint qualified veterans as supervisory personnel. Again, the VFW strongly urges the bill be amended to require that veterans fill these positions. We firmly believe there are enough qualified veterans available that the language "to the extent practicable" can be struck.

Section III also provides for the creation of a "virtual" one-stop veteran' job services "office" world wide in order to furnish assistance electronically via the Internet. Included, but not limited to, would be information relating to job vacancies, vets' job fairs, posting of resumes with employers, and case management services.

The VFW questions the purpose in removing the job description for the DVOPS/LEVERS. It would seem that during the five-year demonstration program it would be essential to have job descriptions defined in US Code for these positions.

Mr. Chairman, with respect to the funding of the Demonstration Program it is not clear to the VFW as to how this will be accomplished. We will reserve comment on at this time until we fully understand this aspect of H.R. 4765.

With the exception to the provisions previously discussed, positions being filled by veterans and the funding mechanism, the VFW supports section III.

Section IV of the H.R. 4765 address the issue of raising employer awareness of the skills veterans possess and the benefits of hiring veterans. The bill creates the "President's National Hire Veterans Committee." to market the employment attributes of veterans to employers.

The VFW supports this section of HR 4765.

Section V states veteran's service organizations "should" provide job placement assistance to veterans by making computers available at our local posts. While the VFW is currently promoting this activity at the local level, we recommend the language, "should be encouraged to" be substituted for "should"

Finally, Section VI requires an independent study to quantify the economic benefits attributable to the provision of employment and training services under chapter 41 of title 38, U.S.C. in helping veterans attain long- term, sustained employment.

The VFW supports this provision.

This concludes my statement. I will be happy to answer any questions you may have.

STATEMENT OF
GEOFF HOPKINS, ASSOCIATE LEGISLATIVE DIRECTOR
PARALYZED VETERANS OF AMERICA
BEFORE THE
SUBCOMMITTEE ON BENEFITS,
HOUSE COMMITTEE ON VETERANS' AFFAIRS
CONCERNING H.R. 4765,
THE "21ST CENTURY VETERANS EMPLOYMENT AND TRAINING ACT"

JULY 13, 2000

Chairman Quinn, Ranking Democratic Member Filner, and members of the Subcommittee, the Paralyzed Veterans of America (PVA) is honored to be invited to testify today concerning H.R. 4765, the "21st Century Veterans Employment and Training Act."

PVA is an organization of veterans who are catastrophically disabled by spinal cord injury or disease. The majority of our membership is unemployed. In these times of statistical full employment, just last Friday reported at 96% for the month of May, disabled Americans, and veterans in particular, still have difficulty finding employment. This is often due to barriers in the workplace, false perceptions of the potential costs to employers of hiring people with disabilities, and the perceptions many people still have about veterans. Veterans have earned and deserve consideration within the workforce. It is hoped that this bill will begin to

breakdown these barriers and promise much deserved opportunities in the workplace.

There have been concerns within the veterans' community regarding the race to simplify, computerize and decentralize the employment system in this country. Electronic-based self-service systems and one-stop career service centers are but two examples of these changes. The question has always been how to continue to provide priority services to eligible veterans, while improving the employment service for veterans as well as non-veterans.

Veterans Service Organizations (VSO) realize the tremendous benefits provided by electronic systems, especially the advantages to disabled veterans. These systems provide a method to overcome the many mobility barriers that still exist in our society, despite the successes of the Americans with Disabilities Act. Although PVA applauds the efforts of the Secretary of Labor to implement this modernization plan, the issue of priority of service for veterans remains. The requirement to provide job opportunities to veterans first, through DVOPs/LVERs at the Employment Service is in many ways contradictory to the Employment Service's role of getting individuals employed. But the desire to provide services to as many as possible cannot overshadow the attention to the specialized needs of veterans, especially disabled veterans. Many techniques of maintaining this priority have been discussed. Unfortunately any method of blocking access to a job opportunity, reserving it initially for veterans, works against efficiency. Mr. Chairman, PVA is cognizant of these competing demands and admits that no simple answer exists. But the importance of veterans' priority is foremost, and cannot be understated.

PVA is glad to see that H.R. 4765 reaffirms the priority of service for qualified veterans. But more welcome is the specification of means to enforce these rights and the allocation of personnel to support this enforcement. In addition, the affirmative steps required of Federal contractors in this measure should help

bring more disabled veterans into the workforce. This is only a first step, a step that if not aggressively enforced, will be ignored, as have so many such mandates in the past. We look forward to the Subcommittee conducting oversight hearings with the Department of Labor to ensure that these mandates are not ignored.

We welcome the modified standards of performance required of the Secretary of Labor for comprehensive accountability. Perhaps the most welcome change brought about by this bill, is the weighted approach to job placement. This weighted emphasis on placing severely disabled veterans and other veterans facing barriers to employment may help to prevent some forms of "cherry picking." Though it is unpleasant to accept, when someone's job is at risk, human nature may cause the employment specialist to select the easy placement, over the one requiring greater effort. It is our sincere hope that the Secretary will make this weighting advantageous enough so that DVOPs/LVERs will not only place severely disabled veterans, but also aggressively reach out to severely disabled individuals, allowing them to reap the benefits of our booming economy through full-time employment.

PVA strongly supports the creation of the demonstration program identified in Section 3 of this measure. However, we hope that if the advantages from this program are fully demonstrated, that they be implemented throughout the system rather than waiting for the 5-year conclusion of the demonstration period.

We also are cautiously encouraged by the plan for "virtual" one-stop veterans' job service "offices". The ability of a disabled veteran, who may have difficulty leaving his or her home, to have access to the employment services provided can be a tremendous benefit. Although the loss of veterans priority of service at the one-stop centers has always been a fear of VSOs, we believe the Department of Labor and the Veterans Employment and Training Service (VETS) will make a good faith effort to ensure that priority of service at one-stop centers

exists in more than name only. We look to this Subcommittee to insure that this effort is indeed successful.

H.R. 4765 is an evolutionary step in the veterans' employment system. We do not see this as an end, but rather as one more step in helping our veterans gain the opportunity for full employment. I would like to thank the Subcommittee for your efforts to involve veterans and Veterans Service Organizations in developing this legislation. Thank you and I would be happy to answer any questions.

TESTIMONY OF
JOHN K. LOPEZ
CHAIRMAN
ASSOCIATION FOR SERVICE DISABLED VETERANS

GOOD MORNING DISTINGUISHED MEMBERS OF THE U.S. CONGRESS.

THANK YOU FOR THIS OPPORTUNITY TO APPEAR BEFORE THIS COMMITTEE.

WITH YOUR PERMISSION, I WOULD ASK TO SUBMIT MY TESTIMONY FOR THE RECORD, TO READ A SUMMARY OF THAT TESTIMONY AND TO ANSWER ANY QUESTIONS THE MEMBERS MAY HAVE —

ELEMENTS OF THE “21ST CENTURY VETERANS EMPLOYMENT AND TRAINING ACT (THE ACT)” ARE VASTLY OVERDUE.

ACCOUNTABILITY AND MEASUREMENTS OF PERFORMANCE SHOULD BE STANDARD PROVISIONS OF ALL LEGISLATED PROGRAMS, SO AS TO ENABLE THE CONGRESS TO RESPOND AND INITIATE VIABLE SOLUTIONS TO OUR NATION’S NEEDS.

THE APPLICATION OF ANALYTICAL TECHNIQUES TO RESOLVING THE COMPLEX NEEDS OF OUR UNEMPLOYED, DISADVANTAGED AND/OR DISABLED VETERANS, IS MOST APPROPRIATE.

"DEMONSTRATION PROGRAMS" ARE EQUALLY APPROPRIATE AND OVERDUE. MANY YEARS OF VACILLATING EFFECTIVENESS IN PROGRAM'S IS AMPLE NOTICE THAT NEW STRATEGIES WERE NECESSARY AND THE ESTABLISHMENT OF "STAKE HOLDERS" ADVISORY PANELS SHOULD CONTRIBUTE GREATLY TO REALISTIC AND EFFICACIOUS PROGRAMMING OF SERVICES.

THE PROVISIONS IN THE BILL FOR OVERCOMING THE "PRESENCE" REQUIREMENTS FOR VETERAN JOB APPLICANTS, ARE ALSO VERY APPROPRIATE — IN LIGHT OF THE ELECTRONIC "VIRTUAL EVERYTHING" APPLICATIONS IN OUR SOCIETY.

THE INTERNET AND ITS ATTENDANT "DOT COMS" ARE MAKING ACCESS TO EMPLOYMENT OPPORTUNITIES AND CASE MANAGEMENT FOR INDIVIDUAL VETERANS A PRACTICAL REALITY. IN THE CASE OF DISABLED VETERANS, IT IS MORE PROBABLE THAT INFORMATION AND TELECOMMUNICATIONS APPLICATIONS WOULD BE OF GREATER VALUE THAN PHYSICAL CENTERS, WHERE ACCESS WILL ALWAYS BE AN ISSUE.

AS THE MEMBERS WELL KNOW, THE TRAGEDY OF UNEMPLOYMENT IS VERY REAL TO OUR NATION'S DISABLED VETERANS.

NATIONWIDE UNEMPLOYMENT IS ESTIMATED TO BE AT 4% OR LOWER FOR THE GENERAL POPULATION —

HOWEVER, 45% OF THE EMPLOYABLE DISABLED PERSONS IN OUR NATION ARE UNEMPLOYED. INCLUDED IN THIS NUMBER ARE SERVICE CONNECTED DISABLED VETERANS AND THOSE VETERANS DISABLED BY LIFE EXPERIENCE.

ASDV REQUESTS THAT THE COMMITTEE, AND THE 106TH U.S. CONGRESS, CONTINUE ITS EXEMPLARY RECORD OF LEGISLATING RESOURCES TO MEET THE NEEDS OF THE NATION'S VETERANS BY DIRECTING THAT ANOTHER AVAILABLE RESOURCE BE INTEGRATED INTO A COORDINATED STRATEGY FOR A PRODUCTIVE AND POSITIVE OUTCOME.

ONE OF THE RESOURCES IS THE JAVITS WAGNER O'DAY ACT (PL 92-38) WHICH AUTHORIZES THE APPLICATION OF FEDERAL CONTRACTS TO EMPLOY AND TRAIN THE DISABLED.

BY DIRECTION AND/OR RESOLUTION THE COMMITTEE AND THE CONGRESS CAN IMMEDIATELY ESTABLISH A NATIONAL PROGRAM THAT CAN SUBSTANTIALLY RESOLVE THE NEED OF DISABLED VETERANS FOR REAL EMPLOYMENT AND JOB TRAINING OPPORTUNITIES.

WE URGE THIS COMMITTEE TO DIRECT THE "COMMITTEE FOR THE EMPLOYMENT OF THE BLIND AND SEVERELY HANDICAPPED" TO ESTABLISH A NATIONAL AGENCY WITH THE

SAME AUTHORITY AS ITS TWO (2) EXISTING NATIONAL AGENCIES; SUCH AGENCY TO APPLY RESOURCES TO THE PROVISION OF ACTUAL EMPLOYMENT AND TRAINING OPPORTUNITIES FOR DISABLED VETERANS.

TOGETHER WITH THE PREVIOUSLY ENACTED "PUBLIC LAW 106-50, THE VETERANS ENTREPRENEURSHIP ACT," A SELF-EMPLOYMENT RESOURCE FOR VETERANS; THE INCLUSION OF A DISABLED VETERAN PROGRAM IN THE JWOD ACT AND THE ENACTMENT OF THE "21ST CENTURY VETERANS EMPLOYMENT AND TRAINING ACT," THIS COMMITTEE AND THE 106TH U.S. CONGRESS WILL HAVE SET A NEW STANDARD FOR COMMITMENT TO THOSE PERSONS THAT SACRIFICED FOR THE FREEDOM AND PROSPERITY OF THE WORLD.

I AM MOST THANKFUL THAT I HAVE WITNESSED YOUR SERVICE TO OUR NATION AND THAT I COULD SHARE IN YOUR ACHIEVEMENT.

THANK YOU FOR YOUR ATTENTION.

Testimony on H.R. 4765
The 21st Century
Veterans Employment and Training Act
Captain Thomas M. Hale, USN (Ret.)
Senior Vice President
Resource Consultants, Inc. (RCI)
to the
Benefits Subcommittee of
the Veterans Affairs Committee
U.S. House of Representatives

I am pleased to have this opportunity to comment for the record on H.R. 4765, the 21st Century Veterans Employment and Training Act. It promises to be a big step forward in modernizing the provision of job assistance services for veterans through the use of the Internet.

For the past 10 years, I have been closely associated with providing job transition services to military members and their families, both as Program Manager for military transition programs and as Senior Vice President. I also serve on the Board of Directors of the Association of Career Management Firms, North America where I remain current in the application of technology in the outplacement field for corporate America. The first job assistance centers for the Army were established by RCI in 1990 under the auspices of the Army Career and Alumni Program (ACAP). The program continues today at every major Army post in the world and through the years has provided career transition services to over 900,000 clients. Many ACAP offices work closely with veteran's representatives at local employment service offices. Some are collocated with veteran's representatives; some work in close partnership in locations immediately adjacent to the ACAP office.

I would particularly like to commend the Committee for the provision in the bill that creates a "virtual" one-stop veterans job service over the Internet. This will

make way for veterans to access a veteran's dedicated service from virtually anywhere in the world. No longer will a veteran be required to personally visit a local employment office to review job opportunities or to get routine services that could be accessed by a computer connected to the World-Wide Web. It promises to bring a splendid new and tailored service for the veteran that will allow the knowledgeable and informed job seeker to conduct his or her own research at their convenience rather than the convenience of others.

The Internet offers a new and exciting research tool for job seekers that literally did not exist even 10 years ago. For example, at the time of this writing in mid-July 2000, the Microsoft Network Internet search engine lists over 9,500 job-related sites on the World-Wide Web. One of these, Monster.com, contains over 402,000 freely available job listings in every occupational field from all over the country. The Government's own compilation of job listing on the Internet-resident America's Job Bank, has over 1,390,000 jobs listed. There is now more information available at a job seeker's fingertip than could ever be accessed through newsstands or libraries.

From the establishment of the very first ACAP Center in 1990, computers were fully integrated into program services. The Army, in their wisdom, recognized that computer assistance was required to handle the heavy workload and to track the provision of services. They invested in the development of an automated system that provided for the real-time recording and segregation of individual service provision histories for each transitioning person. Each counselor was provided with a computer linked to a local area network which recorded client services as the counseling took place and automatically recorded services when clients were utilizing computer terminals and conducting individual job search research. Each client was offered an opportunity to use a computer to access a centrally managed list of job opportunities and a listing of employers committed to help with the prospective veteran's job search. This heavy emphasis on using automated help to assist the transitioner permitted the quick retrieval of service usage and client information during counseling sessions. In turn, automation permitted the delivery of quality services to accommodate client loading that often exceeded 100,000 new clients a year at a network of career transition assistance centers located at Army installations worldwide.

Ten years ago the typical soldier was not well acquainted with computers. In fact, we had to provide great numbers of soldier clients with elementary indoctrination into how to use a computer as many had never actually used one. Today, we see a much different type of soldier, one who probably was first exposed to computers either at home or in school and had regular access to computers in post libraries, unit administrative offices, and education centers. Usage has become so commonplace that the Secretary of the Army recently announced his intention to issue a laptop computer to every soldier who wanted to enroll in a distance learning course.

In 1996, the Army developed a virtual job assistance service on the Internet (located at <http://www.acap.army.mil>) for the soldier who could not easily get to a job assistance office. We saw the popularity of this ability to remotely access job search and transition assistance services grow from 26,970 accesses the first full month of operation in May 1996 to 107,453 accesses in June 2000. Even more significant, the usage for the password-protected section of the site that was password-protected until July 2000 grew from 9,594 in May 1996 to 22,538 in June 2000. This reflects the increasing computer literacy of the soldier over just the past few years. To further accommodate the needs of an increasingly computer-savvy generation of soon-to-be-veterans, the Army is currently fielding a new generation of multi-media hardware and software at its transition centers that will offer greater control to the individual to direct the pace and intensity of the transition services that are available. For example, key components of a transition workshop were filmed and digitized so that an individual could view the material at his or her own pace. The system also allows the selected retrieval of workshop information so individuals can get refreshed on job interview techniques before an important interview. It will not be long before improvements in bandwidth technology will permit the transmission of movie-like quality images to home computers at a reasonable cost and provide the virtual one-stop job search office with a realistic multi-media capability.

Thank you for this opportunity to provide you with our experiences in the provision of job search services to active-duty military personnel. We are confident that the proposed legislation will well serve the needs of the service member now leaving service and provide hundreds of thousands of job-ready and computer literate individuals with a new means to access job services that are tailored specifically to the needs of the veteran.

THOMAS M. HALE
Senior Vice President
Resource Consultants, Inc.

Dr. Hale has more than 40 years experience in the human resources field, with the last 17 years of his career employed by Resource Consultants, Inc. (RCI). At RCI, he is a Senior Vice President/Assistant to the President and manager of projects in the human resources field.

In 1990 Dr. Hale directed RCI operations in the initial development and operation of job assistance centers for the Army. This initiative, called the Army Career and Alumni Program (ACAP), was to help soldiers released from service as a result of downsizings following the end of the Cold War and continues today with locations at all major army posts in the world. For the past ten years he either directly managed the program or was closely associated with it while over 900,000 soldiers, Department of the Army civilians, and family members were provided with job assistance services in their transition from military to civilian careers.

He served on active duty in the U.S. Navy for 24 years and retired with the rank of Captain, USN. He served on the staff of the Chief of Naval Operations and Chairman of the Joint Chiefs of Staff. His active military service also included two years as the Commanding Officer of a destroyer and three combat tours in Southeast Asia.

In addition to a wide range of experience in conducting personnel related studies, Dr. Hale has authored over a dozen publications in the human resources field. His doctoral dissertation was a statistical analysis of factors involved in the retention of military personnel.

Dr. Hale received his Doctorate in Public Administration from George Mason University, a Master of Arts degree in Political Science from the University of Houston, and a Bachelor of Science degree in Public Administration from Florida State University. He is also a graduate of the National War College where he received the Navy League Award for Research and Writing.

Statement of Disclosure. As required by the Rules of the House of Representatives, disclosure is herewith made of the affiliation of RCI and myself as Project Manager of the HRXXI Century Contract. Under this contract and predecessor contracts both RCI and I have been closely associated with the Army Career and Alumni Program for almost ten years as the primary operator of job assistance centers for the Army at installations throughout the world. Over the past two fiscal years, the value of this contract to RCI has been approximately \$25 million.

**TESTIMONY OF
WILLIAM C. PLOWDEN, JR
DIRECTOR FOR VETERANS' EMPLOYMENT AND TRAINING
SOUTH CAROLINA
U.S. DEPARTMENT OF LABOR
BEFORE THE
HOUSE VETERANS AFFAIRS SUBCOMMITTEE
ON BENEFITS
JULY 12, 2000**

Mr. Chairman and Members of the Subcommittee:

I am grateful for the opportunity to provide written testimony on the "21st Century Veterans Employment and Training Act," H.R. 4765.

Getting our veterans' programs right is essential to fulfilling our commitment to the unemployed and underemployed veterans who seek entry and advancement in our evolving workforce. Special emphasis must be placed on assisting those veterans who have significant barriers to employment, while providing the best employment and training opportunities to all veterans through existing programs and through coordination and implementation of new programs (such as under the Workforce Investment Act of 1998 (WIA)).

In my work with the U.S. Department of Labor (DOL) over the past 24 years, I have dedicated my life's work to doing all that could possibly be done to help the veteran, regardless of the circumstances. We owe a great deal to America's veterans because of the sacrifices they have made in the past and will continue to make in the future. The legacy of freedom and democracy they have bestowed on all of us should be honored by our commitment in return to serve their needs when they enter or return to the civilian workforce.

In various official DOL capacities since 1976, my primary focus has been unwavering:

Commitment to finding, implementing, and championing whatever means are available to maximize employment and training services to this Nations' veterans -- always ensuring that these DOL efforts honor and reflect Congress's statutory mandates.

I was fortunate to have the opportunity to bring DOL's Veterans' Employment and Training Service (VETS) into existence as its first Assistant Secretary (ASVET)--transforming VETS in 1982 from an Employment and Training Administration (ETA) program office into an effective, separate agency by implementing an organizational vision which has meshed well in the ensuing years with the commitment to veterans highlighted above. In establishing VETS, I worked closely and continuously with the committees of Congress and with the various veterans' organizations.

Moreover, I have worked both before and after my term as ASVET (from 1976 to 1982 in ETA, and from 1984 to present in VETS) as Director in the State of South Carolina--always focused on the same commitment to veterans, and with impact and influence statewide, regionwide, and nationwide in making that commitment a shared reality among the full range of partners helping veterans: Fellow VETS' staff; State grantee's staff -- especially State Employment Security Agency (SESA) officials, Disabled Veterans' Outreach Program (DVOP) specialists, and Local Veterans' Employment Representatives (LVER); and the numerous other parties also interested in the welfare of veterans, such as veterans' service organizations and the Congress.

My specific program accomplishments over the years have been ongoing from my earliest days in DOL in the 1970's. I was a leader -- and probably the prime instigator -- of the grass-roots, person-to-person outreach approach to employment/training assistance for disabled veterans which eventually became formalized by Congress as the DVOP program.

In addition to these accomplishments in the DVOP program, in the late 1980's and 1990's I provided leadership, direction, and program oversight in the development and eventual codification by Congress of the Transition Assistance Program (TAP) and the National Veterans Training Institute (NVTI) -- each among VETS' most effective means of helping veterans and those who provide services to veterans. In addition, I have played key roles in the creation and success of such other VETS programs as the Veterans' Emergency Job Training Act Program; the Service Members' Occupational Conversion and Training Act Program; and, the Entrepreneurship Program.

My long experience is cited here (and in the attached Exhibit 1 listing of testimonials and awards received over the years) to illustrate my proven and firm commitment to veterans -- and to provide appropriate context and impact when I tell you my strongest-held opinion on the delivery of employment and training services to veterans:

The current Title 38 service delivery system – relying on a formulaic distribution of DVOP and LVER staff in every State – remains the best approach to ensure equitable and effective coverage of all veterans' employment and training needs nationwide – IF adequate funding can be provided to run the system properly.

To highlight the value of the DVOP/LVER system, please allow me to recite some of the relevant history of these programs.

VETS delivers employment services to veterans in partnership with State Employment Security Agencies (SESA), also called the "Job Service" or the public employment service system. VETS administers Federal grants to these State agencies to support DVOP specialists and LVER staff in each State. These dedicated staff assist the offices in which they are assigned to provide labor exchange-related services for veterans and other eligible persons. These labor-exchange related services include employability development services, such as vocational guidance, job counseling, job seeking skills

training, and intensive services generally using a case management approach; and include job placement-related services which may include developing jobs and training opportunities, referral to job and training openings and related assistance or facilitation in securing and advancing in employment.

DVOPs

In November of 1976, President Carter encouraged by veterans' service organizations signed an Executive Order to create a disabled Vietnam-era veterans outreach program with a duration of 18 months to two years following implementation by the Department of Labor. This was three years after the end of the Vietnam-era and five years after the Vietnam Veterans Readjustment Assistance (VRA) Act of 1972 which was amended in 1973 (P.L. 92-540 and P.L. 93-508) and established the current priority order for services to veterans and targeted specific groups of veterans to include special disabled veterans (in receipt of compensation of more than 30% disability), Vietnam-era disabled veterans, and other eligible persons that includes certain qualifying widows and spouses of veterans.

In February through March of 1977, ETA provided instructions and operating procedures for the creation of a program "to provide employment assistance for a large proportion of the Nation's unemployed disabled Vietnam-era veterans and other disabled veterans (ETA Field Memorandum No. 227-77, dated March 30, 1977). As part of President Carter's first priorities in the Fiscal Year 1977 economic stimulus package, disabled Vietnam-era veterans outreach units were "established in the 100 largest cities with at least one such unit in each State Employment Security Agency (SESA)." The program under which disabled Vietnam-era veterans were to be hired to assist other such veterans was to be known as the Disabled Veterans' Outreach Program (DVOP), and its staff were referred to under a variety of State civil service/merit system titles as Disabled Veterans' Outreach Specialists; Veterans' Employment Aides or Veterans' Outreach Aides. In all a minimum of 1,911 staff were to be assigned nationwide; for instance, 172 (9%) of DVOP staff were assigned to California for deployment in 11 cities (Los Angeles, San Diego, San Francisco, San Jose, Oakland, Long Beach, Sacramento,

Anaheim, Fresno, Santa Ana, and Riverside).

This two year pilot program deployed disabled Vietnam era veterans nationwide to serve as DVOPs, who were charged with the responsibility to:

- ☆ Reach out to those disabled and/or Vietnam veterans unable or disinclined to apply for services in the "structured settings" of the Job Service system;
- ☆ Contact employers at their worksite to change their stereotypes of disabled and Vietnam veterans;
- ☆ Create large numbers of new job openings, especially with Federal contractors;
- ☆ Match veterans to training openings available under the Help through Industrial Retraining and Employment (HIRE and HIRE II) programs; and
- ☆ Contribute to the placement of large numbers of Vietnam-era and disabled veterans who may never have otherwise sought employment-assistance through the traditional SESA Job Service offices.

DVOP service to veterans quickly proved successful. "When DVOP [program] became fully operational in in July 1977, the unemployment rate for Vietnam-era veterans between 25 and 39 years of age was 5.7 percent. In July 1979, the unemployment rate for the same group was 3.5 percent. The number of unemployed Vietnam-era veterans during the same period declined from 351,000 to 240,000." (ETA Field Memorandum 12-80, dated October 10, 1979) USDOL/ETA voluntarily extended the program to sunset at the end of Fiscal Year 1982.

Building on the success stories of the first eighteen months of operation of this outreach program, the Veterans' Rehabilitation and Education Amendments of 1980 (P.L. 96-466) made the DVOP program permanent in the Department of Labor. DVOP specialists were mandated by this law to be assigned to States by a formula based upon the number of Vietnam-era and disabled veterans residing within each State. According to the law, the DVOP program would be operated under the newly created Office of the Assistant Secretary for Veterans' Employment (OASVE) no longer under the ETA "umbrella."

The transfer was completed based upon Secretary of Labor's Order 5-81, dated December 15, 1981 with the signing of an agreement between the OASVE and ETA on October 25, 1982. The DVOP program continued to be funded through the ETA Job Service grants until 1983. In FY 1984, the DVOP and LVER categorical formula grants were administered directly through the OASVE.

On May 20, 1988, the Veterans' Employment, Training and Counseling Amendments of 1988 (P.L. 100-323) created new sections at Title 38, Chapter 41-43, United States Code (38 U.S.C. Ch. 41-43). This was a landmark piece of legislation affecting the position of the now Assistant Secretary of Labor for Veterans' Employment and Training (ASVET), delineating fifteen specific duties of the DVOP specialists. Chief among these duties were:

- ☆ "[D]evelopment of job and job training opportunities for eligible veterans through contacts with employers...;
- ☆ "[P]romotion and development of apprenticeship and on-the-job training positions ;
- ☆ "[D]evelopment...with employers...to ensure the maximum assistance to disabled veterans who have completed or are participating in a vocational rehabilitation program under Chapter 31 of Title 38; and
- ☆ "[O]utreach to locate eligible veterans through contacts with local veterans organizations...the VA...and community-based organizations."

Section 4103A (b)(2) of P.L. 100-323 also required 75% assignment of DVOPs to local employment service offices; consequently, DVOP specialists are also assigned to TAP site facilitation; VA Vet Centers and Vocational Rehabilitation and Employment (VR&E) offices; One-Stop Career Centers and other productive work locations to ensure effective outreach and saturation throughout the veterans' community. In all an average of approximately 2,000 DVOP positions based on a population formula are authorized for distribution among all States, Puerto Rico and the District of Columbia.

Section 4103A of P.L. 100-323 replaced the former DVOP Section 38 U.S.C. 2003A, and

restructured the funding formula for DVOP specialists to become one DVOP specialist for every 5,300 Vietnam-era and disabled veterans residing in a State. Following the Gulf War, this formula was amended by P.L. 103-446 which changed the formula to one DVOP specialist for every 6,900 Vietnam-era, post Vietnam-era and disabled veteran residing in a State. Title 38 was most recently amended in 1997 to change the formula such that one DVOP specialist could be assigned to a State agency for each 7,400 of working age veterans (20-64 years old) who reside in that State. The average formula level for DVOP specialists over the last five years has been approximately 2,000, the number first to be allocated in FY 1977. However, the actual number of DVOP full-time equivalent positions (FTEs) in any year is based upon available grant funding, and has averaged approximately 1,445 over the last three years.

LVERs

Implicit throughout Chapter 41 of Title 38 is the requirement that SESAs provide the maximum opportunity for jobs and job training to the job-seeking veterans in their respective States. Since the Wagner-Peyser Act of 1933, when the Veterans' Employment Service was created, the State's employment service systems were required to provide priority services to veterans. The LVER program was created by the Servicemen's Benefits Act of 1944 (the original GI Bill) to accentuate the Wagner-Peyser service delivery to veterans returning from World War II. LVER positions were assigned to serve as staff in each office of the public employment service system to ensure the adequacy of service delivery for veterans in that office. LVER staff were and still are responsible to meet the needs of area employers for well-trained, qualified veterans.

Since the enactment of the Veterans' Employment, Training and Counseling Amendments of 1988, (Public Law (P.L.) 100-323), a statutory formula has set the authorized number of LVER full-time equivalent (FTE) positions at 1,600 nationwide. Although the basic duties and responsibilities of the LVER have changed little since 1944, P.L. 100-323 clearly identified twelve specific responsibilities of the LVER which may be found today at Title 38, Chapter 41, Section 4104(b) of the United States Code (38 U.S.C. 4104(b)). Chief among the duties of the LVER are the requirements to:

- ☆ “[F]unctionally supervise the providing of services to eligible veterans and eligible persons by local employment service staff”;
- ☆ “[M]aintain regular contact with community leaders, employers, labor unions, training programs and veterans’ organizations...”; and
- ☆ “[P]rovide directly or facilitate the provision of, labor exchange services by local employment service staff to eligible veterans and eligible persons...”

LVER staff are assigned as either a full-time or half-time, based essentially upon the volume of veterans seeking services each program year (PY). The actual number of LVER FTEs in any year is based upon available grant funding, and has averaged below the statutory 1,600 level -- approximately 1,317 over the last three years.

DVOPs/LVERs and the SESA's Wagner-Peyser Staff

The annual funding for the DVOP and LVER programs has been approximately \$157 million over the last four years. To illustrate recent successes:

In FY 1999, DVOP/LVER staff were relied upon heavily to provide labor exchange services and provided increasing assistance to special disabled and disabled veterans, resulting in 28,611 disabled veterans getting jobs through priority of service efforts. Of this number, about 13,253 were special disabled veterans. Case management services continued to be provided at an increasing rate, and attention was focused on veterans who were unemployed. In FY 1999, VETS-funded staff helped 4,707 Vocational Rehabilitation graduates into jobs, up from 4,282 in FY 1998.

The \$157,118,000 provided in FY 1999 for the DVOP and LVER programs supported efforts which resulted in more than 284,000 veterans getting jobs. Of these, approximately 147,000 were helped by LVER staff and 137,000 by DVOP staff.

The DVOP and LVER staff are assigned to supplement, not supplant the employment service (Wagner-Peyser Act-funded) staff assigned to freely provide labor exchange services to the general public. VETS establishes performance standards for SESAs to reinforce priority of service by all SESA staff for special disabled and disabled veterans, veterans, and other eligible persons. VETS also evaluates the States' policies and processes to ensure that veterans receive services leading to economic security and well being. The SESAs also receive individual prototype performance standards from VETS for the DVOP and LVER staff funded through VETS' grants to the State based upon the duties prescribed in Chapter 41 of Title 38.

Conclusion

The history of the DVOP and LVER programs' success is compelling, and I submit it is a system that can and will work into the future if properly supported by the Congress.

On the other hand, I have reviewed the proposed changes in H.R. 4765, and I am convinced that its de-emphasis of the specific roles of the DVOPs and LVERs, and its failure to continue mandatory assignments of DVOP/LVER staff in every State, are fundamental mistakes which would be disastrous for our nation and its veterans. I know that I am joined in this opinion by many others in the veterans' service community, some of whom will be testifying to that effect in your hearings this week.

Instead of detailing specific problem areas in H.R. 4765, I will simply state that I find these fundamental shortcomings -- which would certainly lead to the death of the DVOP and LVER system -- to be the primary reasons not to consider its enactment.

I believe there are alternatives to this legislation, such as the proposal offered by the American Legion, that warrant consideration.

It is thus my belief that the best of the current veterans' programs should be retained, but that these programs should be updated to reflect the changing environment of work. Specifically, the following concepts should be paramount in modernizing these programs:

- Update definitions to reflect the WIA definitions;
- Add language to Title 38 to ensure veterans' services and priority are provided by Wagner-Peyser funded staff;
- Retain current formula allocations for State agencies as long as they perform adequately;
- Create an incentive and sanctions program based on performance;
- Expand the universe of veterans to be served, to include the National Guard and the Reserves;
- Redefine the roles of the:
 - ASVET
 - Regional Administrators
 - Directors of Veterans' Employment and Training;
- Keep DVOP in the law as a permanent staff – the primary source of service delivery for disabled veterans;
- Keep LVER in the law as permanent staff – modify the formula to ensure coverage of all State one-stop centers and TAP sites; and
- Strengthen veterans' employment with Federal contractors.

In closing, there are two issues that I want to highlight

1. The resources and authority of the Veterans' Employment and Training Service of the U.S. Department of Labor should not be disturbed. It is a small organization that successfully provides direct services and grant oversight under Title 38, Chapters 41 through 43, for a relatively huge constituency – over 14 million working veterans.
2. Full formula funding for the current DVOP/LVER programs is a must if we are to satisfy the needs of our veterans seeking job opportunities. Full funding has never

occurred, and the shortage of funding has resulted in many veterans not getting the help they needed to find jobs. Even in the modern era with all the electronic aids available, veterans continue to need and to seek assistance from DVOP/LVER staff.

This will always be the case, regardless of the labor market environment. In the Workforce Investment Act world, the DVOP/LVER must take on even greater responsibilities while assisting and working with unemployed veterans.

DVOP/LVER assistance must continue for the Transition Assistance Program sites, the one-stop career centers, the veterans' centers, Vocational Rehabilitation and Employment offices, and WIA non-core offices where they are normally not assigned on a permanent basis.

The DVOP/LVER structure is organized in concert with State and Federal management and oversight. If the DVOP/LVER system is tampered with, the entire service delivery structure will be essentially destroyed – leaving no viable means to deliver needed employment and training services to our nation's veterans.

Thank you once again Mr. Chairman for this opportunity to address you and your colleagues on such vitally important issues for our veterans. I remain available to answer any questions you may have.

Attached Exhibits:

Exhibit 1: **HONORS AND AWARDS RECEIVED – WILLIAM C. PLOWDEN, JR.**

Exhibit 1**HONORS AND AWARDS RECEIVED – WILLIAM C. PLOWDEN, JR.**

- ☆ ***The Strom Thurmond Founder's Award***, presented by the Secretary of Labor in November, 1998 "For a lifetime of public service dedicated to making all of America's service members and veterans prepared in mind and resources." Mr. Plowden was the first (and to date only) recipient of this Secretary's award.
- ☆ ***Award from Secretary of Labor Raymond J. Donovan*** in recognition of sustained, dedicated, and outstanding services to the Department of Labor and to its mission of promoting the welfare of the American worker.
- ☆ ***The Sam Murphy Award from the U.S. Department of Labor*** in recognition of his leadership, initiative, professionalism, and advocacy for veterans.
- ☆ ***The President's Committee on Employment of the Handicapped Award*** in grateful appreciation for service in behalf of our Handicapped fellow citizens.
- ☆ ***The "Order of the Palmetto" from South Carolina Gov. Carroll A. Campbell, Jr.*** (the highest award which can be granted by the Governor of South Carolina).
- ☆ ***The House of Representatives in the State of South Carolina passed a Resolution honoring William C. Plowden, Jr.*** for his outstanding service to the veterans of South Carolina and the Nation.
- ☆ ***The Administrator's Award from the Veterans' Administration***, in recognition for outstanding leadership on behalf of this Nation's veterans.
- ☆ ***The Chair's Discretionary Award from the International Association of Personnel in Employment Security (IAPES)*** for exceptional service to American veterans.
- ☆ ***Award of Merit from IAPES's South Carolina chapter*** in recognition of outstanding achievements in the veterans area.
- ☆ ***The Special Recognition Award from the Colorado Department of Labor and Employment*** for the enhancement of the employment services to the veterans in the State of Colorado.
- ☆ ***The 1983 Loyalty Day Award from the Veterans' of Foreign Wars*** in recognition of outstanding contributions to his community and Nation.

- ☆ ***Vietnam Veterans of America's Award*** for unstinting and effective efforts for America's veterans.
- ☆ ***Non-Commissioned Officer's Association Award*** in appreciation of exceptional service to the veterans and military community of the United States of America.
- ☆ ***American Legion's Award*** presented in recognition of dedicated service to the American Legion and veterans of our Nation.
- ☆ ***Vietnam Veterans' Multi-Service Center Award*** in recognition of outstanding service to veterans.



KANSAS

Bill Graves
Governor

DEPARTMENT OF HUMAN RESOURCES
Division of Employment and Training

Richard E. Beyer
Secretary

Statement of
Heather M. Whitley
Director, Division of Employment and Training
Department of Human Resources
State of Kansas

On

H.R. 4765-the 21st Century Veterans Employment and Training Act
Before the Subcommittee on Benefits
Committee on Veteran's Affairs
United States House of Representatives
July 10, 2000

Mr. Chairman and Members of the Committee, it is an honor to offer you this written testimony on behalf of the Kansas Department of Human Resources regarding the Veterans Employment and Training Service (VETS) grant. I regret that I am unable to be there in person. As a Navy veteran, I can think of no more prestigious seats than the ones you and your committee members occupy. Thank you for your service.

Upon examining the current laws governing the Disabled Veterans Outreach Program (DVOP) and Local Veteran's Employment Representative Program (LVER), the Dole Commission on Service Member and Veteran Transition Assistance determined the grant to be inadequate in serving our Sailors, Soldiers, Airman and Marines. DVOP and LVER staff, under restrictive and outdated guidelines set by the VETS grant, are delivering world of work services utilizing thirty-year-old methodologies. These guidelines do not take into consideration the current requirements of the Workforce Investment Act (WIA), the needs of the new millennium veteran, the advances in technology, or the modern day service delivery philosophy.

Statement of
Heather M. Whitley
Page 2 of 3

You have heard from Utah, Texas and Alabama that the VETS grant is at best, not cut from the same cloth as WIA and at worst, works in direct opposition to WIA goals. My colleagues have told you about the conflicts that arise from mingling the more reactive VETS grant with the proactive, state-of-the-art WIA. I would add, that this is more than inconvenient for grant recipients. It lays the foundation for a culture clash among One-Stop partners nationwide. I submit to you that this grant is a bastion for continued turf-ism that does not help One-Stop esprit de corps and subsequently, only hurts the veterans we seek to serve. WIA's very success depends on the cohesion and collaboration of all employment and training programs. As a mandatory WIA partner, VETS should be held equally accountable for the success of the workforce development systems in which they reside.

For an example of the grants archaic nature, one only needs look at the DVOP. The DVOP was signed into law in May of 1977. Its original intent was to provide intensive outreach services to disabled Vietnam Era veterans. The grant required states to ensure that at least 25 percent of DVOP staff time was spent on outreach activities. Now twenty-three years later that same 25 percent requirement is still a part of the grant. Yet, according to the Department of Veterans Affairs, most Vietnam Era veterans have secured employment or reached retirement age. The need for such a large amount of time to be spent on outreach is no longer founded. There is no measuring tool for this activity, nor any data collection method to report how much, if any, outreach activities are being accomplished. In some instances, staff may be outstationed not to meet the needs of America's veterans but only to meet the 25 percent outreach requirement. In an effort to truly measure the value we add to the vocational life of veterans, this requirement should be eliminated in favor of WIA-inspired state and local flexibility.

The post-Vietnam veterans are different than the veterans for which the DVOP grant was originally written. Post-Vietnam veterans are more technologically adept and are less likely to require less hands-on help. Job search assistance will benefit them only if it is self-directed, self-paced and flexible. The world of work has changed as well. Studies show that, on average, people will change careers six times within their lifetime. The VETS grant, as currently written, is neither geared to the veteran of 2000 and beyond or flexible enough to help the veterans that came before them.

While I could continue to offer more examples of the outdated nature of this grant, let me close instead by assuring you that Kansas is proud of the service provided to the veterans of this great nation. To continue to provide the highest degree of services possible, we must take this opportunity to redefine the needs and expectations of our clients. This is a historic opportunity to see what 185 million dollars can do to fundamentally, permanently, and irrevocably help America's veterans find true vocational fulfillment in the new millennium.

Statement of
Heather M. Whitley
Page 3 of 3

Again, thank you for providing me the opportunity to offer you this written testimony. Please offer my warmest regards to Mr. Darryl Kehrer and Mr. Todd Houchins. They are a tremendous asset to your efforts and have represented you all with great pride. Should you need additional information from Kansas, please feel free to contact me at (785) 296-7874, or at hwhitley@hr.state.ks.us.

HMW:WM:tmm

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